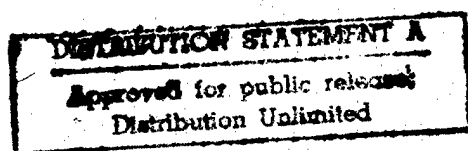


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12 SEPTEMBER 1986

# Sub-Saharan Africa Report



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12 SEPTEMBER 1986

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## UNITA PREDICTS END OF APARTHEID

Lisbon O DIABO in Portuguese 5 Aug 86 p 18

[Text] "The apartheid system is doomed to destruction and cannot prevail against external and internal opposition," said UNITA, in a Central Committee communique signed by the president himself, Jonas Savimbi.

"We firmly support the entire process of the search for justice and human dignity," Savimbi added, pointing out that the movement he leads "has a long history of anticolonial struggle which abundantly attests its unshakable insistence on freedom and dignity for blacks" and also that before the MPLA took positions under Russian pressure, both SWAPO and the Pan-African Anti-Apartheid Movement had enjoyed support from and a common front with UNITA.

The communique added:

"UNITA believes that South Africa can find a solution acceptable to its respective peoples. The minimum would be setting up four parliamentary bodies. As blacks without any hatred whatever for whites and as justice-loving human beings, we would like to see South African blacks participate actively in the political life of their country. South African leaders of all races and political persuasions should seriously negotiate their country's future to avoid succumbing to external pressures."

### Alvor Accords Remembered

Turning now to Angola, Savimbi writes:

"UNITA also wishes to remind the international community that in Angola patriots representing the desire for freedom are being exterminated by the expansionist Russians and Cubans. UNITA is the only force in Angola fighting for the withdrawal of foreign troops in order to facilitate a national reconciliation conducive to peace. The MPLA, like UNITA, is only one of the factors in Angolan political reality legitimized by the Alvor Accords signed with the Portuguese government in January 1975."

And in conclusion:

"The West must not hesitate as it did in 1975 when it yielded to Soviet expansionism in Angola and the Third World. Liberty and democracy, which are indivisible, must not be denied to peoples who deserve them and who are spilling their own blood trying to obtain them."

#### UNITA Active in Northern Provinces

According to the Central Committee, "in the space of 21 days, the MPLA and its mentors lost 12 aircraft to UNITA's anti-aircraft defense, including 3 MiG-23's, 2 MI-24 helicopters, 1 MiG-17, 4 MI-8 helicopters and 2 MiG-21's in an unsuccessful attempt to destroy the bastion of freedom in Angola."

Intense UNITA guerrilla activity in parts of northern Angola was reported in another communique from the movement, the most important action being the taking of two important locations, Vila 31 de Janeiro and Mucaba, in Zaire and Uije provinces, respectively.

Also in the North, the Kilombo military post near Golugo-Alto, was taken and a brigade of government forces was routed.

A rebel attack on the local barracks in the capital, formerly Nova Lisboa, in Huambo Province, was reported and the railroad bridge over the Cuiva River was destroyed. In addition to these operations, which were carried out between 20 and 23 July, government forces suffered 44 casualties, the communique added, according to which UNITA suffered 9 dead and 26 wounded.

Another military bulletin reported a bombing mission against the Soviet "advisors'" residence in the city of Luso, the capital of Moxico Province.

#### MPLA Communiques

FAPLA, the armed forces of the MPLA, also released communiques reporting on operations that must have been carried out in Moxico Province, but were not specifically located. According to the MPLA, 172 casualties were inflicted on UNITA in Moxico.

In the area of psychological warfare, the MPLA, quoting a prisoner, Alberto Cahanga, reported that UNITA had executed three of its leaders accused of conspiring against Jonas Savimbi.

Also in the area of psychological warfare, Jose Eduardo dos Santos, president of the Marxist regime, repeating what he has been saying for months about preparations, reported a South African attack on Angola. The insistence with which Dos Santos has been making this claim has, of course, made it incredulous in impartial circles.

8844

CSO: 3442/287



PROSPECTS FOR PEACE ANALYZED

Lisbon SEMANARIO in Portuguese 26 July 86 p 27

[Article by Carlos da Matta: "Rumors of Peace in Angola"]

[Text] Combat continues in Angola, but both sides are now behaving as if they would like to negotiate a settlement. In spite of the fact that the "totalitarian allure" is still very strong in the MPLA-PT, domestic factors favoring peace are gathering strength.

Once again, Angola learned by foreign radio of statements made by Jeremias Chitunda of UNITA's Central Committee, that MPLA-PT leaders would be willing to negotiate with UNITA. This is the second time in 30 days that contacts are being discussed and unlike previous instances, denials have not yet been made. And if they were, no one would believe them now.

Prior to the second congress of the ruling party in Luanda, an African chief of state with links to both the Angolan government and UNITA wondered in Jose Eduardo dos Santos' presence "when negotiations with Savimbi would begin" and the MPLA-PT leader's replied that he was not yet in a strong position, given the makeup of the Central Committee at that time, but that he was expecting substantial changes.

Informed of the conversation, Savimbi reported it in the United States and raised hopes, which did not rule out continuation of hostilities. Analyzing both sides' casualty figures in recent months, the monthly average, allowing for exaggeration, was 200 dead and 400 wounded, which gives an annual figure of 2,400 dead and 4,800 wounded over the last ten years, with higher figures in the most recent years.

Initially drafting recruits from rural and suburban areas, casualties are now also being suffered by urban families who can apply pressure, which, in addition to on-going food shortages, the stagnant economy and continuing uncertainty due to political intrigue and scapegoat policies (anyone can become a scapegoat at any time), makes many people, including those in the government and party, lead many to believe that victims of persecution and discrimination are not few in number.

Through old friends, now dispersed within and without both parties, various polls on their position on a negotiated settlement have been made. Such efforts are very useful to send messages and maintain contacts, as is the

case in other African countries, to the point where it is virtually a political institution in many countries.

#### Pastoral Letters

Thus, in domestic terms, the peace issue has become the topic of the day, and intense efforts by independent democratic groups over the last ten years (elsewhere one would say dissidents) should now be pointed out. Lacking mass communication means, these groups have unleashed a word-of-mouth campaign that has now reached large proportions, demanding peace as a precondition for what they call "democratic development." Pastoral letters of the Catholic Church have been the greatest stimulus. The result is that talking about peace is no longer an offense in Angola.

About four years ago, in an interview with the president in Futungo, a small group of FAPLA officials said that on a number of occasions UNITA acted more like a regular army in Kuando Kubango Province and FAPLA more like guerrillas, which led to a situation demanding political action. This statement was strongly refuted and the situation developed to the current impasse.

Suddenly, the economic situation, which it had seemed would support the war effort for a long time (even if imposing considerable hardships on consumers) suffered a great shock when oil prices fell.

The truth is that the MPLA-PT depends economically on 14 Western oil companies, credit or grants, especially from Scandinavia (the second-largest source of the country's foreign currency) and medium-term credit for staple food purchases (mainly in France and Brazil). Militarily, it depends on a large number of Soviet advisers, their weapons, which have already cost the Angolan treasury \$2 billion, and especially on Cuban troops, while technology is in the hands of cooperative program workers of various nationalities.

One may well wonder what margin of independence remains in the political area, a question which is being asked not only by persons opposed to the regime. It is within the regime itself that the most rational minds are asking themselves this question.

#### Extent of Autonomy

Certain factors condition UNITA's autonomy. The border with Namibia and support from South Africa and the United States are vital. The problem, then, is determining the extent of independence of each side in order to sit down at the bargaining table, since the desire to negotiate is not only growing in pro-peace sectors, but also among militants on both sides.

The determining factors are at the international level. The USSR must avoid a catastrophic withdrawal of Cuban troops and resumption by the West of its former position in Angola. In this sense--and even a majority of MPLA-PT leaders go along--an understanding which would minimize UNITA and eventually integrate it into the MPLA, as was done with parts of the FNLA, would be very attractive to the Soviet Union. UNITA would only agree to the continuation in power of the current government during a transition period until elections could be held.

Cuba, for its part, does not want to be deprived of a situation which is economically advantageous: over \$100 million paid by Angola for Cuban troops, in addition to lumber from Cabinda, civil construction projects, etc., with reduced political costs, domestically as well as internationally.

The Cuban presence thus continues to be a consequence of South African intervention, a situation which raises two problems: first, Cuban troops have not engaged Pretoria's army in some time and second, because it is quite difficult to determine who intervened first. It is known that weeks before independence, Cuban and South African soldiers engaged in combat near Catengue (south of Benguela), which Fidel Castro confirmed during his visit to Angola several months afterward.

At any rate, it is of little importance to the Angolan people who intervened when. The important thing is for intervention to cease.

#### The Cuban Problem

For the United States and South Africa, the essential thing is to remove Cuban troops, which are considered an unacceptable means of pressure for independence for Namibia and also on South Africa itself. This is why they support UNITA and the formation of a united Angolan government and their reticence on UN resolutions concerning the Namibian conflict.

It is in this context, to which must be added the campaign for sanctions against Pretoria, that the Portuguese government dispatched Azevedo Soares, secretary of state for foreign affairs and cooperation, to Angola and Mozambique to explain the Portuguese position on the situation in southern Africa, where almost all the problems are interrelated. Thus, it is still true that whatever measure or initiative Lisbon takes is always of interest in the African media and causes great agitation among the Soviets and their allies.

The truth is that the linguistic factor and a mutual history of familiarity between Portugal and its former colonies create a clear animosity against Portugal and even Brazil on the part of the Soviet and Cuban machine, in spite of Angola's appreciation of many aspects of President Jose Sarney's recent position. For the government, the Brazilian president limited himself to recognizing the right of a sovereign nation to self-defense, while on the non-governmental level, it is strange that Sarney condemned the supply of weapons to only one side in the Angolan civil war.

#### Portuguese Trump Cards

Be this as it may, the Portuguese secretary of state was heard with great interest in Luanda at both the president's office and the ministry of foreign affairs, and it is hoped that Portugal will play its "trump cards" intelligently not only as far as the sub-regions's relations with the EEC are concerned, but also by contributing to the dialogue among all parties to the conflicts (or is it a single conflict?) in Southern Africa. This would be important at a time when regional conflicts are of concern to the super-powers, which, everything seems to indicate, should meet again at the highest levels.

We thus have a situation where factors conducive to peace have gained strength, but key elements in the MPLA-PT for whom the "totalitarian allure" is very strong continue to exist. Externally, it still does not look as if intervention in Angolan affairs will cease.

Given these uncertainties, the struggle continues with both sides behaving as if they now wished to find areas to negotiate. FAPLA has not risked large-scale direct operations, but has tried to disrupt UNITA supply lines and infiltration routes, and UNITA has stepped up its surprise attacks at various locations in the country, including certain urban and suburban areas (first Cabinda, then Huambo).

It is still a long way from rumors of peace to the negotiation table, and great perseverance will be needed in order for positive internal factors to prevail over negative factors, particularly foreign negative factors.

8844

CSO: 3342/287

## UNIDENTIFIED UNITA LEADER ON MOVEMENT'S GOALS

Lisbon EXPRESSO in Portuguese 12 Apr 86 p 10

[Text] UNITA rebels in Angola continue to put pressure on the extreme north of the country, while people are waiting for a large-scale offensive by government troops on Jonas Savimbi's most important stronghold in the southeast, in Mavinga and Jamba. The most recent guerrilla attack was on an electrical generating plant 2 km from the city of Cabinda, which immediately cut off electrical power, as well as the water supply coming from the Lucolo River.

UNITA's move, which EXPRESSO predicted and which some observers believe was only possible with at least the tacit support of Zaire (categorically denied by the Kinshasa government, as in the case of the attack and virtual destruction of the diamond works in Andrada to the northeast), was an extensive operation with a psychological impact, as it called attention to the presence of rebels in the north. It also, however, served as a diversive tactic, to reduce the concentration of strategic power of the People's Armed Forces for the Liberation of Angola (FAPLA) in the southern part of the country, where there may be the battle that Luanda hopes will lead to a certain clarification of positions, i.e., the final expulsion of rebels from the Jamba base, which they term "the capital."

One of UNITA's top leaders, who was in Lisbon this week on a "diplomatic" mission, en route to other European countries, told EXPRESSO that "the MPLA is still counting on military victory, but it will see after the next offensive fails that it is no longer possible."

"A Cease-Fire and Free Elections"

This very close associate of Jonas Savimbi (who under the circumstances in which the statements were made specifically asked not to be identified) said that he had just left Jamba and, as far as he knew, UNITA was already receiving significant U.S. aid, particularly in war materiel. "The highly sophisticated materiel contributed by the United States is not going to continue, it is not permanent: Reagan wants to see results for his involvement."

It is known from other sources that the emergency military support provided by Washington to the Angolan rebels is primarily in the form of Stinger antiaircraft and TOW antitank weapons, which are brought into the interior

through Zaire, even though the southern limit of the Angolan border with that country is relatively far from the zone which is believed to be the fulcrum of the expected assault by government troops.

The high-level UNITA leader also referred "to the hope for reconciliation," as a first step towards establishing a "democracy" in Luanda, which would create a favorable climate for holding elections throughout the territory. "For Angola," he said, "we want a minimum of social justice, an African-style democratic socialism, or in other words, a pluralistic democracy." It is also understood that the government should be shared with the MPLA-PT, and he added: "It may seem surprising, but we believe it is likely that the MPLA will agree to negotiate within a year: we are willing to accept them as a principal force, but in the context of a cease-fire and free elections."

In his opinion, Portuguese assistance is important to the future development of Angola, "but the Cubans must leave the country." As for the kidnapping of foreigners, the UNITA leader said that, since they are technicians working under cooperative programs, "whether they like it or not, they are on the side of the MPLA," and he added that the rebels have already stopped kidnapping people and their activities are confined--as occurred in Andrada on 1 March--to capturing and then releasing them. "We take them because we are afraid that when we attack a place, they may be wounded: the MPLA may take action against them and blame UNITA."

As for rebel activities in Lisbon, a problem which has created a delicate situation for the Portuguese government, the UNITA leader maintained: "Portugal has certain responsibilities vis-a-vis Angola, not as a regime but as a decolonized country; we must not forget the Alvor agreement providing for elections to be held."

Still on the same issue, he added: "We do not understand how the MPLA can exert so much pressure on Portugal. We have more intensive activities in France, Spain and Germany, we give press conferences and there is no pressure. We believe that the MPLA has a certain leverage with Portugal."

9805/12379

CSO: 3442/275

# UNITA ANDRADA CAPTIVES DESCRIBE ORDEAL

Lisbon EXPRESSO in Portuguese 22 Mar 86 p 6

[Article by J. Henriques Coimbra, with Luisa Ribeiro]

[Text] With salaries ranging from around \$20,000 to as high as \$80,000 a year (between 3 and 12 million escudos), the cooperants in Andrada kidnapped by UNITA on 1 March do not really know what to do with their lives now. Nearly all of them (there is no news of 14 who evidently stopped along the way) arrived in Lisbon without papers and barely with the old clothes they were wearing when they left Luanda.

In some cases--i.e., in the case of the workers from Cape Verde and Santo Tomas--the salaries from Diamang and its subsidiaries were paid half in kwanzas and half in foreign currency. As for the Portuguese, some have no desire to return to Angola, but others still hope that things will return to normal "through diplomatic channels"; they have commitments with banks to buy housing in Portugal and the risk of losing everything is a threat to be reckoned with.

And what about the possibility of retaliation by UNITA, the foreigners who go home and come back to "cooperate" with Luanda? A source well informed about the situation in Angola told us in Kinshasa: "There is no solution, things are going to continue like this and infiltration in rebel forces and the Luanda Army will always be a threat to the safety of civilians."

A 60-year old man who was dragged off into the jungle by the rebels after leaving his wife in Andrada, desperate, did not hide his fury at the inhumane way in which UNITA took its hostages. His comments did not spare the people responsible for security at Diamang either: "They just steal and sell diamonds. They do not need very much security, but they do need honest men to provide it."

Four Wounded, 18 Children and 2 Pregnant Women

Four Portuguese slightly wounded by "stray" shots when they tried to flee Andrada during the attack were the most serious victims of UNITA's 196 hostages. There were also 18 children (one of whom was 6 months old) and 2 pregnant women, one of whom almost lost her baby before the kidnapping.

The tragedy--or the adventure, as some prefer to term it--began at 0530 hours on 1 March, a Saturday, when "about 1,000 UNITA rebels launched a 7-minute mortar attack" on the outskirts of the community. The more relaxed cooperants thought that FAPLA was having troop exercises, but then they heard people in the streets speaking Umbundo, a tongue spoken by most of Jonas Savimbi's men. According to one of the victims, they then said to each other: "This is it: We had better start packing our bags quickly!"

Two hours later, with their "baggage" packed without too much rush, they were on the road "to exile," in a long column of guerrillas on foot or in trucks belonging to the diamond company. With them, at the head of the expedition, were 1,500 head of cattle taken by UNITA from the Cossa farm belonging to Diamang, in addition to 5 kilos of diamonds taken from the town of Andrada.

The foreigners living in Andrada were not expecting an attack, especially not on that scale. The community is located on an open plain, there is no wooded area around it, and any approach by the guerrillas would be easily detected by FAPLA's military lookouts.

According to what some of the hostages told us, Andrada was virtually unprotected on that fateful Saturday. The evening before FAPLA had conducted movements in the region and, they added, "four Portuguese mercenaries, one of whom was a commando instructor for the Special Angolan Forces, were there. But when the attack occurred, Andrada had no defense."

One man with military training who spoke to EXPRESSO said that an attack on Andrada, the "headquarters of choice" of Diamang, was totally out of the question: "It is an unprotected zone and even the Angolans did not believe that an assault of this sort was possible." This man, hit by a bullet when he attempted to flee, was finally captured and had to undergo minor surgery on his hand without anesthesia, while a bullet lodged in his arm was extracted only after he reached the Methodist mission at Mussumba, near Capanga, in Zaire, moments prior to his being handed over to the Red Cross.

#### Return to Lisbon

The hostages were handed over to the International Red Cross when UNITA started experiencing logistic difficulties in carrying out its initial plan to make a long trek of several weeks to the south of the country, necessitating security "incursions" into Zaire's territory.

From what we learned here in Lisbon from reliable sources who, however, preferred to remain anonymous, the Angolan rebels called the Red Cross from their camp in Jamba, using an unspecified international circuit. Portuguese authorities, who had already been alerted by the report of a UNITA kidnapping in Lisbon, maintained continuous contact with Geneva and helped resolve the affair expeditiously, with the decision by Prime Minister Cavaco Silva to send a plane to Zaire as soon as the situation was such that the hostages, including the foreigners, could be repatriated. This decision even enabled an Angolan citizen to be transported to Lisbon, and now he will have to return to his country through the Luanda embassy in the Portuguese capital.

9805/12379

CSO: 3442/274



## UNITA'S ANDRADA ATTACK ANALYZED

Lisbon EXPRESSO in Portuguese 22 Mar 86 p 11

[Text] From the standpoint of the international repercussions UNITA hoped to create, the operation conducted by the Angolan rebels, i.e., the assault on the mining town of Andrada in northeastern Angola at dawn on 1 March, has turned out to be a relative failure. The guerrillas, in fact, did not follow through on their plan when they kidnapped 194 foreigners (including 94 Portuguese) and took them out of Andrada, and everything seems to indicate that the Angolan Army must have prevented them from carrying out their stated goal to lead that whole column of men, women and children of nine nationalities--including of course Angolans--to Jamba in the southeastern part of the country.

The UNITA hostages told the press that they had in fact been advised that their destination was Jamba, and the actual itinerary followed--even though it was not clearly described by the hostages, who have no idea of how far they traveled during the 15 days or so of their trek through Angola--seems to indicate that they were moving mainly toward the south. If the guerrillas' initial plan was to cross into Zaire, as occurred on the 15th day, the border at the Cassai River could have been reached as early as the second day of the expedition or even sooner, thus reducing the risk of being intercepted by the People's Armed Forces for the Liberation of Angola (FAPLA), whose cautious reaction inevitably delayed intervention, thus preventing what could have been serious consequences for the kidnappers.

The rebels opted for a "strategic exit," forcing the Zaire authorities into a delicate position involving a conflict of interests, with heightened United States pressure in favor of UNITA on the one hand, and the "security agreements" signed with Luanda on the other.

#### Collusion by Zaire?

According to Angola's official press agency, ANGOP, the withdrawal to Zaire was forced by direct action on the part of FAPLA, with two very successful ambushes, followed by a military operation to "recover" the hostages. In view of the fact that the Luanda government would like to maintain good relations with the Kinshasa authorities, it avoided making an incursion into Zaire territory, which could have been regarded as legitimate pursuit of the enemy.

The ANGOP agency also said that "the Defense Ministry spokesman stated that he found it strange that the Zaire authorities did not immediately report the incident to the Angolan government."

In this regard, it should be added that UNITA not only was not penalized by the Kinshasa authorities when it handed over the hostages in Zaire, but some of their men returned to Angola where, it is said, they took the Angolan citizens captured in Andrada as far as the Jamba base, following the principle that "Angolans belong in Angola."

A spokesman for Angolan interests in Lisbon told some reporters on Thursday that Luanda was still hoping for an explanation from Zaire, leaving the impression that relations between the two countries were quite strained.

Moreover, the Angolan government is convinced that the surprise attack on Andrada could only have been mounted from Zaire--a distance of some 10 km. Even if this alleged suspicion on the part of Luanda is not confirmed, the ease with which UNITA troops crossed the border to hand over the hostages--despite the fact that it was a "humanitarian" gesture made after contacting the Red Cross--increased people's fears that the neighboring country may be helping the rebels. This is a role Mobutu Sese Seko does not claim to be playing in favor of Jonas Savimbi, who is now putting pressure on northern Angola, in an area where the most sensitive economic ventures are located, i.e., oil exploration and mining of precious gems.

As regards diamonds, for which Diamang has the concession, some observers say that Angola is not in a position right now to draw the full benefit from this resource. In the first place, because of a reduction in extraction capacity, and secondly because the market for industrial diamonds is saturated, while first-rate gems are in some cases smuggled into the Zaire city of Tahikapa (between Andrada and Kinshasa) to be sold. This city has become one of the best-known world centers for black marketeering.

#### A Sovereign "Chieftain"

There are a few rather pronounced contradictions in this case of the hostages and the column's march across the border with Zaire.

According to reports by some Portuguese after they had been released, it was a simple Zaire chieftain, responsible for the Kukutan border station, who convinced the UNITA rebels accompanying the hostages not to continue into the interior and to leave the foreigners under his guard, as a representative and agent of his country's sovereign authority.

According to other versions, the guerrillas made the hostages cross the Cassai River and accompany them, but in a civilian capacity, unarmed, after telling them that there was "good news for everyone."

It is not altogether clear, however, to what extent the chieftain's posture held sway over the more veiled intentions of UNITA--which continued to hold the hostages in Zaire for some time, while FAPLA was claiming to punish the guerrillas and preparing to advance south towards Jamba.

Close observers of UNITA's activities linked to the Luanda regime believe that "Savimbi's men would never have succeeded in taking the hostages as far as Jamba." Although this might lead one to believe that Luanda's troops had already sealed off that guerrilla stronghold, it is certain that UNITA has been trying to prove the contrary. It remains to be seen, however, whether the Angolan hostages from Andrada will reach the rebel base or whether FAPLA will intercept them, striking another blow to the guerrillas' freedom of movement.

There was, however, another problem, which could be fatal to the expected propaganda gain: With the indiscriminate capture of old people, women and children, the Andrada kidnapping might turn out to be a disaster with serious repercussions, in that in the scant 20 days of the expedition through the jungle, symptoms of malaria and gastrointestinal diseases were reported and, without stopping for rest and adequate treatment, there could be deaths.

Angolan sources said that the few cases of disease, in addition to the two people wounded, also were factors in UNITA's decisions to hand over the hostages to the Red Cross.

You will recall in this regard that the rebels' internal communications system functioned without any problems, and that they were able to contact the International Red Cross Committee from Jamba, and the Committee met the hostages without any delay.

After checking the landing strip in Kapanga, Shaba Province (formerly Katanga), where the hostages were to be picked up, the Belgian government sent a C-130 plane to transport the hostages; it had to make two runs from Kinshasa, on the same day that the Lisbon government sent a Tri-Star to bring all the foreigners to Europe. Besides the Portuguese, the group included 92 Filipinos, 14 Cape Verdians, 5 Sao Tomeans, 4 British, 2 West Germans, 2 Rumanians and 1 Canadian.

Another group of 14 Portuguese residing in Angola has been in Zaire for days, and it is not known in Lisbon why they stayed or under what circumstances. The Ministry of Foreign Affairs did not as of yesterday have the identities of those Portuguese; it knew only that they had been taken into the homes of some compatriots who were living in the country. If they should want to return to Portugal, the authorities would arrange for their repatriation on one of the next regular TAP flights going out of Kinshasa. UNITA for its part has already said that it does not have any of the Portuguese kidnapped in Andrada.

9805/12379

CSO: 3442/274

## BRIEFS

**EXPANDED FM BROADCAST PLANS**--Radio Botswana has started test transmissions with full modulation on FM in Lobatse. This marks the beginning of the new expanded FM network in the country in accordance with the National Development Plan Six. The acting director, Mr P. Makgekgenene, said today that this would bring into reality Radio Botswana's transmitter coverage. He points out that there may be interruptions on the test transmissions until the final commissioning has been completed. The FM network could eventually be extended to cover most major villages and towns providing a good Radio Botswana signal. The immediate proposed sites are Jwaneng, Lobatse, Mahalapye, Serowe, Francistown, Orapa, Maun, and Ghanzi. Installation at a number of these villages and towns is in progress while others are awaiting for public electricity supply only. Until now Gaborone and Selebi-Phikwe have been the only two places with an FM signal. Mr Makgwkgenene said there will also be a number of (GAP) fillers in the future in order to make sure Radio Botswana broadcasts on FM reach all major centers. The new transmitter for Lobatse is on 98.6 MHz and the broadcast is in stereo FM. It has a service area of up to Kanye inclusive of the surrounding villages and the Hinterland within a 50 km radius. The public in the area is asked to listen and give some feedback. Comments should be sent to the chief engineer, Radio Botswana, Private Bag 0060, Gaborone. [Text] [Gaborone Domestic Service in English 1610 GMT 18 Aug 86 MB] /12913

CSO: 3400/431

GOVERNMENT STANDSTILL AVERTED, BUDGET SIGNED

Windhoek THE WINDHOEK ADVERTISER in English 1 Aug 86 pp 1, 3

[Text]

**THE 1986/87 NAMIBIAN budget was signed last night after a day of high drama which nearly saw the Territory's funds frozen and the Transitional Government on the brink of constitutional collapse.**

Government employees and businessmen with government contracts heaved a huge sigh of relief after the decision, which could have had severe economic repercussions.

Two cabinet ministers, Mr Moses Katjuongua and Mr Andreas Shipanga, lodged an urgent application with the Supreme Court to try and prevent the Administrator-General from signing the budget, which had to be ratified by midnight last night.

A full bench of the Windhoek Supreme Court said it was not in a position to grant the application.

In his ruling, Mr Justice Hans Berker said to prevent the Appropriation Act (which empowers the budget) from becoming law would have certain consequences which could not be remedied afterwards.

Mr Justice Ken Bethune and Mr Justice Johan Strydom concurred.

By law, the budget has to be signed by July 31.

In an affidavit emphasizing

the urgency of ratifying the budget, Cabinet chairman Andrew Matjila said if it was not signed "tens of thousands of employees" dependent on their salaries would be affected.

Further, the government was obliged to maintain the infrastructure to deliver certain emergency services "which can only be rendered if funds are made available from Central Revenue funds".

And, according to other evidence, the second tier authorities would have had their funds cut off from today, while government instances would have been unable to fulfil financial obligations to private contractors.

Counsel for Mr Shipanga and Mr Katjuongua, Mr Jeremy Gauntlett, submitted that if the application was refused at this stage it would be impossible to recover money paid by the state in terms of the appropriation, should a subsequent application succeed in setting aside the signed act.

The two ministers tried to prevent the signing of the budget on the grounds that the allocation of funds in terms of AG 8 was discriminatory.

Respondents were the Administrator-General Mr Louis Pienaar and cabinet

ministers Dirk Mudge, Andrew Matjila, Fanuel Kozonguizi, Dawid Bezuidenhout, Eben van Zijl and Hans Diergaardt.

It was strongly rumoured yesterday that if the budget was frozen, Mr Pienaar would have been forced to take over the reins of government.

When the case got underway yesterday, the Administration for Whites entered as a third party.

Represented by Mr Sagrys Grobler, they maintained the Administration had a material interest in the dispute and should be joined in the court action.

It was also submitted that all the second tier authorities, and the Reboth administration, should be allowed to be heard in the matter as they had immediate and direct interest in the case.

Their funds would have been hit from today, if the application was granted.

This was agreed by all sides.

In his ruling and during proceedings yesterday, Mr Justice Berker repeatedly said that the court had been placed in "a virtually impossible...and unenviable situation".

"We are being forced by both sides to make a decision without having the opportuni-

ty to hear all the parties (to the dispute)...a principle of law?"

Mr Justice Berker said it was with considerable regret that they were forced into the position of not hearing full argument on the matter because of the shortage of time.

"The only practical course in this matter is to refuse the application at this stage," he said.

Balance of convenience had been an important consideration.

Mr Justice Berker said "very important issues had been raised, fundamental issues that arise from the Bill of Rights and its relation to various acts".

A final decision on some of these issues could not be taken immediately, he said.

"They would require further clarification and possibly further evidence."

Costs will be decided at a later stage.

Mr Shipanga and Mr Katjuongua told The Advertiser afterwards that they had already given instructions to their attorneys to proceed with another application seeking to declare unlawful the act after it had been signed by Mr Pienaar.

"As far as we are concerned, this is round one," Mr Shipanga said.

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CSO: 3400/443

# CABINET ACCEPTS 'NAMIBIA FIRST' FISHING REPORT

Windhoek THE WINDHOEK ADVERTISER in English 1 Aug 86 p 1

[Text]

**WIDE-RANGING policy changes aimed at the restructuring and increased Namibianisation of the Territory's fishing industry are recommended in a report which was accepted by the cabinet yesterday.**

Entitled "Report over the Conservation and Exploitation of SWA/Namibia's live marine resource" and signed by the Director of Sea Fisheries, Dr Jan Jurgens, the recommendations were compiled by a panel of consultants starting on December 10, 1985.

The report emphasises the need to redirect as much of the industry as possible into Namibian or Namibian-registered hands and to increase the control and participation of the Territory's public and private sector in what was historically a foreign based industry.

Essentially the recommendations aim at maximising the control and rights of the Namibian authorities over fishing zones, research, control and inspection and the allocation of fishing rights.

Key recommendations touch on a number of sensitive international issues like the delimitation of economic zones between South Africa and Namibia - the exploitation of our resource by foreign fleets and the quotas allocated to them by The International Commission for South East Atlantic Sea Fisheries (ICSEAF).

The unresolved international status of the Territory reappears continually as the most frustrating block to a final solution.

Once the report is tabled and discussed, diverse reactions can be expected from interested groups in the industry.

The recommendations deal with the following issues in respect of the white fish, pelagic, line fishing, trawling and crayfish industry:

- Territorial rights to maritime and fishing zones with special emphasis on the South African owned islands along

the Namibian coast line.

- The role of the International Committee for South East Atlantic Fisheries (ICSEAF).

- Control and management mechanisms.

- Utilisation of the resource and industrial infrastructure.

- Marketing.

- Labour force and training.

- The role of private boat owners and factories and conditions for the allocation of quotas.

- Resource management and trawling.

- The role of Walvis Bay.

- Allocation of fishing and processing rights and the duration of such rights.

- The allocation of access to the resource with special emphasis on SWA/Namibian residents.

# SWA BAR COUNCIL CONDEMNS BAN ON MURDER TRIAL

Windhoek THE NAMIBIAN in English 1 Aug 86 pp 1, 2

[Article by Gwen Lister]

[Text]

**THE SWA BAR COUNCIL has condemned the termination of criminal proceedings against four white members of the South African Defence Force by the South African State President, Mr P W Botha, and the Cabinet of the Interim government, saying it constituted 'a gross breach of the Rule of Law and the rape of justice in this country'.**

Widespread condemnation followed the 'issue' of the certificate, and the SWA Bar Council, the Anglican Diocese, and Roman Catholic Church, have already registered their shock at the move.

The Bar Council, chaired by Mr Bryan O'Linn, said in a press statement yesterday that it had taken note of an administrative act purporting to be in terms of Section 103 ter (4) of the Defence Act 44 of 1957, in terms of which the criminal proceeding against four white members of the SADF by the Attorney General of Namibia for the alleged murder of Mr Frans Uapota, a black Namibian in northern Namibia during November 1985, was immediately terminated.

The Bar Council registered 'shock' at the action by the Government of South Africa and that of Namibia as they once again 'not only makes a mockery of the so-called Bill of Fundamental Rights and Objectives incorporated in Proclamation R101 of 1985 ... but constitutes in general a gross breach of the Rule of Law and the rape of justice in this country which bodes ill for the future of all Namibians'.

They pointed out the action was taken in terms of a 'notorious and draconian part of the law' which was in stark conflict with any Bill of Fundamental Rights in civilised countries and which remained unamended, 'notwithstanding strong and valid appeals for its amendment by our Bar Council before the Van Dyk Commission on Security Legislation'.

'Even though the Van Dyk Commission report was submitted to the government already in 1985, it has not been made available to the Bar Council or to the public and security laws, such as Section 103 ter of the Defence Act 44 of 1957, still reign supreme', the statement said.

The law inter alia empowered the government to prohibit any legal proceedings against persons who committed the act, included acts of murder and robbery, when such act has been, according to the State President, 'advised, commanded, ordered, directed or done in good faith ... and that it is in the national interest that proceedings should not be continued'.

The provisions prohibit any court from reviewing, setting aside, or declaring void or otherwise questioning the validity of the certificate.



The Bar Council added that in this case the Government 'chose the most arbitrary and objectionable option provided for, nullifying the decision of the Attorney General to prosecute in the name of the State on charges of murder and without consulting the Attorney General in the matter and ousted the Courts jurisdiction altogether'.

No reasons or explanation had been given for this action, and since the law did not prohibit the giving of reasons, the 'failure to do so in the circumstances of this case is a further insult and injury to the dependents of the deceased, the judiciary, the courts, the Attorney General, the legal fraternity and the citizens of this country'.

It added that since the courts were prevented from establishing the truth, 'we have no reason to doubt the chilling account given by some witnesses for the purpose of a civil action against the Cabinet of the interim government and the Administrator General'.

The Bar Council then proceeded to relate a summary of the circumstances which led to Mr Uapota's death, and in which it was alleged that Mr Uapota and others were 'kicked and beaten' by members of the SADF.

The Bar Council further expressed dismay at the fact that 'the government has not thought it fit to express its regret at the killing of an innocent man and to apologise to the wife, dependents, relatives and friends of the deceased and to make amends to the dependents'.

They said they knew of 'no reasonable ground' for the contention that the issuing of a certificate to prevent the murder trial, was in the national interest, but instead believed 'we have here a cover-up in its most naked form'.

Meanwhile attorneys for the family of the deceased have confirmed that an application to set aside the certificate was presently being considered.

/9274  
CSO: 3400/443

## BRIEFS

**PRESERVATION OF FOREST RESERVES**--Borno State Government has suspended issuance of settlement permits in grazing and forest reserves in a bid to check destruction of such reserves by those in search of farmlands and wool. Commissioner for Agriculture, Malam Umar Abba Gana said at the launching of tree planting campaign in Biu that the rate at which the reserves were being damaged was alarming. He said if this trend was not halted, its consequences on the economic development of the local government and state would be grave. Malam Umar stressed the importance of forest plantation which he noted was of immense benefit to the community at large. He appealed to the people of the area to assist in checking indiscriminate felling of trees and advised that reasonable number of trees be allowed on farms and other agricultural projects. Over 3,000 tree seedlings were planted during the launching. [Excerpt] [By Abdullahi Idris] [Kaduna NEW NIGERIAN in English 5 Aug 86 p 12] /9274

**ROAD CONSTRUCTION IN KADUNA**--Kaduna State Directorate on Foods, Road and Rural Development has begun the construction of roads in four local government areas of the state in consonance with the Federal Government directive. The Commissioner for Works and Transport, Alhaji Usman Abubakar, told the NEW NIGERIAN that a total of 1,235 kilometres of road would be developed in 14 local government areas of the state. He said the state government had received over three million Naira from the National Directorate as part of the instalmental payments for the execution of the projects in rural areas. The commissioner stressed that road construction by direct labour had begun in Katsina, Daura, Mani and Kankia under the responsibility of divisional engineers of the Ministry of Works and Transport in each of the local government areas. In addition, he said, the road linking Basawa with Samaru village in Zaria Local Government, together with the construction of a major box culvert had been undertaken. The commissioner said 26 kilometre-road undertaken by direct labour in Katsina Local Government included Katsina-Dutsin Safe-Daga Riko roads. He said about 40 kilometres of road construction in Daura Local Government had also commenced. It includes Baure-Hu'i-Yarmanlu-Shado road. Alhaji Abubakar said the 29 kilometres of road in Mani Local Government linking Daro-Bindawa-Cheranchi was in progress. [Text] [By Sulaiman Gambari] [Kaduna NEW NIGERIAN in English 9 Aug 86 p 16] /9274

**LG OFFICIALS REPLACED BY LOCALS**--All the 10 top civil servants in Ogun State who have been posted as chairmen/administrators of local governments are to be withdrawn from their positions, the Commissioner for Local Government and Community Development, Mr. Tebun Fagbemi, has said. Also the civil servants are

to be replaced with non-civil servants who are indigenes for their respective local government areas, Fagbemi also said. Fagbemi was answering questions from newsmen in Abeokuta yesterday when he held a conference on the activities of his ministry. The policy to withdraw civil servants as chairmen and replaced them with indigenes who are non-civil servants, he revealed, was a directive of the Federal Government based on the white paper on local government reforms. According to Fagbemi the state government could soon make a major pronouncement on the issue, adding "the new policy was, however, directed at ensuring full participation of indigenes in the activities of all local government areas." [Text] [By Lekan Yussuf] [Lagos DAILY TIMES in English 6 Aug 86 p 13] /9274

CSO: 3400/156

UGANDAN FINANCE MINISTER PRESENTS BUDGET

EA232119 Kampala Domestic Service in English 1122 GMT 23 Aug 86

[Budget speech by Finance Minister Ponciano Mulema in Parliament Building, Kampala--live]

[Text] Mr Chairman, Sir, I beg to move that the National Resistance Council [NRC] do resolve itself into a committee of supply for the consideration and approval of the budgetary proposals for the fiscal year 1986-87, estimates of revenue and expenditure.

Mr. Chairman, Sir, the economy of Uganda has been troubled for the [as heard] 15 years, by economic mismanagement. during the seventies it was not even possible to assess the extent of this mismanagement in statistical terms, because the entire administrative system had almost ceased to function. Even when the military government was overthrown in 1979 the economy could not recover because of the insecurity that prevailed, misallocation of national resources and lack of guidance and direction. Mr. Chairman, between 1972 and 1979 the economic conditions forced Ugandans to move away from production to commerce and services, where these were still possible. During this period therefore, little production for export took place, although production of coffee continued somewhat because of the very nature of the crop, while other exports, like cotton, suffered from substitution effects as people switched to production of locally consumed commodities and prices rose steadily in response to the declining value of the shilling. Mr Chairman, this low level of production, both in agriculture and industry, was reflected in the trends of GDP [gross domestic production], but we have tried whenever possible to get reliable statistics. Such figures as we now have are [word indistinct] rough estimates based on the few statistics available and lots of assumptions.

Between 1978 and 1980, Mr Chairman, there was a further marked drop in GDP as a result of the war that was taking place then. And although GDP recovered somewhat between 1980 and 1983, most of the recovery was accounted for by increases in commerce and government services, since even during that time, production remained very low. Rough estimates indicate that real GDP declined by 14 percent between 1978 and 1980. And while there was a recovery of about 17 percent between 1980 and 1983, GDP further declined by 10 percent between 1984 and 1985. During 1985 it is estimated that GDP fell by 5.5 percent. The monetary economy showed a decline of about 3.9 percent during the same period, while the nonmonetary sector could have declined by up to 8 percent.

Mr Chairman, it is not possible to get accurate figures for the nonmonetary economy in absence of detailed statistics. The decline in this could have been moderate or substantial, but it can be assumed that as a result of massive smuggling that was taking place all along our borders, the decline in production in the peasant economy could have been more apparent than real. Government is making arrangements to have a crop census followed up with regular periodic reports compiled from down at the parish level to ensure better planning in the forecasting in future. Because of political instability in the security situation which existed in 1985, it can reasonably be assumed that output in both agricultural and manufacturing industries, where these were still in operation, was not substantial.

Certainly in the industrial sector, the industries did not only lack funds to purchase raw materials and capital inputs, but lacked working capital as well.

Prices and monetary development: Mr Chairman, there have been very high increases in prices in this country between 1980 and now. The reasons can be analyzed in terms of supply and demand. On the supply side, the economy has faced problems in terms of the distribution of food and the production of manufactured items. Although Uganda has the capacity to produce large quantities of commodities for local consumption and export, we have continued to face transport bottlenecks and absence of appropriate marketing arrangements. In the past 15 years, the problems have been aggravated by conditions of insecurity mainly created by the behavior of governments in power themselves. This make it difficult for food which could have been produced in large quantities to reach the markets. In the industrial sector, production of goods was always too small to meet domestic demand. The reasons for this are clear. The industries were poorly managed, lacked working capital, and could not even get sufficient foreign exchange for raw material imports and spare parts. The situation was made worse by the financial program approved by the Obote government and supported by the IMF. That program was principally aimed at management of demand without doing much about supply. The industrial sector, therefore, either stagnated or some industries simply stopped operations, because current devaluation, which was the principle monetary instrument in this program, made it impossible for industries to operate, since the cost of imported raw materials and spare parts progressively increased without corresponding increases in these industries working capital.

While the financial program adopted concentrated on imports and consumption, this did not substantially affect the internal price levels, because considerable quantities of the consumer goods imported were either smuggled out of the country or foreign currency approved for such goods was diverted to other purposes abroad. The result was that the consumer goods such as shoes, bed sheets, blankets, clothes, sugar, soap and others remained in short supply and therefore attracted very high prices.

On the other hand, Mr Chairman, the financial program failed even in this respect, notwithstanding its main preoccupation with demand management.

The governments were not particularly disciplined and therefore expansion in money supply was rapid, simply to finance unplanned--and in many cases irregular--government spending. The government's deficit therefore continued to widen and the resultant inflation was particularly damaging to the economy, especially as it was financed by borrowing from the banking systems, and the Bank of Uganda in particular.

In addition to growing government deficits to finance consumption and services, a large proportion of bank credit went to finance commercial activities and speculation. Even where production was possible, credit to finance it was not available in banks, because there were more profitable ventures in commerce and speculation for banks to finance. The financial institutions therefore ignored agriculture and industry, because they did not pay as well. This government is determined to reverse this trend. Mr Chairman, some of the measures that have been already taken to correct this unhealthy situation include the recent setting up of the rehabilitation of productive enterprises program, which with supporting foreign resources supplied by the U.S. government will specially finance agriculture and agro-related industry.

Before the end of the year, another organization, to be known as Uganda Agricultural Finance Agency, UAFA, will be set up with the single objective of financing agriculture. Government is also seriously considering increasing the capital of the Uganda Development Bank, which is the national institution best suited to the financing needs of industry.

Mr Chairman, in the monetary field, domestic credit increased sharply between the years 1980 and 1985. The acceleration declined somewhat between 1982 and 1984, but during the years 1984 and 1985, total domestic credit increased by 130 percent from 85 billion shillings to 195.2 billion shillings. This went hand in hand with government indebtedness to the banking system. Net claims on government increased 65 percent between 1983 and 1984 from shillings 40.5 billion to shillings 66.9 billion, and increased further to shillings 108.8 billion by the end of 1985. This increase largely reflected government dependence on bank financing to cover the widening budgetary deficit. Bank credit to the private sector was also increasing during the same period, but at a lower rate of growth, and this growth in the credit to the private sector went mainly to finance commerce.

Money defined as currency in circulation and bank deposits increased by 90 percent over the year 1985 from 111.5 billion shillings to 211.3 billion shillings, while currency in circulation alone nearly doubled during the same period from 43.9 billion shillings to 80.8 billion shillings. This large increase in currency in circulation and money supply in general naturally put a lot of pressure on prices, as these large increases were taking place during a period of low and declining production. Bank credit was also distributed in a manner that reflected the usual effects of inflation in an economy. In agriculture, for example, bank lending stood at 35.3 billion shillings by the middle of 1985, and rose to 48.1 billion by the end of the year. These fairly large increases in the agricultural area are largely explained by financing export crops and in particular, coffee.

Commercial bank credit to agricultural [word indistinct] production remained virtually nonexistent. In a situation of inflation, the attitude of commercial banks can be justified on purely financial grounds. It was more rational for banks to finance sectors where credit was relatively more secure and where it could be recovered in a short period. These were mainly commercial and service ventures. The manufacturing sector received very little credit from banks, especially as most of the industries were bogged down with legal problems stemming from ownership and other problems. Frequent devaluations of the shilling did not help matters either.

Mr Chairman: The policies employed by the previous governments, while aimed at establishing a relatively more acceptable exchange rate for the shilling had the effect of undermining these very policies. The exchange rate policy was used by the previous governments as an instrument to help in the management of demand. The idea was to devalue the shilling and thus make foreign currency more expensive in terms of Uganda shillings and therefore reduce demand for it. Management of demand can only succeed if in fact there is discipline in how money is spent, not only in government, but also in those institutions which are charged with the management of the financial resources and where there is a mechanism of channelling resources into productive areas of the economy. What went wrong in Uganda was that budgetary discipline was lacking and those who advocated monetary approach to the management of the economy depended on the market mechanism to orient the economy toward more production and less consumption. That, of course, could not happen because of the very internal contradictions inherent in the policy.

Mr Chairman, the government intends to maintain a fixed exchange rate in order to minimize inflation, but will also take other measures that will help the economy to recover steadily without high rates of inflation.

The government has, therefore, decided that the exchange rate be fixed at shillings 1,400 per U.S. dollar. With immediate effect, the dual exchange rate regime [as heard] is abolished.

Mr Chairman, interest rates do play a monetary role, as they do regulate the cost and availability of credit and where that credit goes. They also can help in mobilizing financial resources which could be used to achieve desired economic objectives. In a situation of inflation, however, interest rates need to be substantially high in order to attract people to save and also discourage firms from speculation, the reluctance to hoard money or through hoarding and property speculation. [sentence as heard] High rates of interest, however, can have very damaging effects on an economy. They could discourage borrowing and in a situation like ours, they have the effect of curtailing production, since production forces the investors to tie money in projects for a relatively long period. If the rates of interest are high, such borrowing may appear, rightly or wrongly, unacceptable to investors. The subject is, therefore, controversial.

Mr Chairman: It has therefore been decided that as soon as the national investment plan is approved and thereby the desired levels of investments in various sectors of the economy are established, the interest rate policy will be reviewed. Financial institutions will be required to adjust their investment portfolios and ensure that predetermined proportions of lendings go to each sector of the economy. At that juncture it will be possible to reduce the interest rates applicable to productive sectors without at the same time discouraging lending institutions from lending to these low interest sectors.

The most significant development in the area of monetary policy, Mr Chairman, to be undertaken during the current fiscal year is the currency reform which I announced earlier this year. New currency [notes] are already being manufactured by our security printers. The minting of new coins is also in progress, for we shall definitely go back to the use of cents and shilling coins as a valuable media of exchange. The production of high security currency, however, takes a longer time than most people appear to appreciate. It is only this factor that is delaying the exercise.

Trade and balance of payments: Mr Chairman, the economic mismanagement this country has experienced in the past has had the effect of narrowing our export base so much that at present the only export we can seriously talk about is coffee. The coffee would probably have no exports at the moment if coffee were not the type of crop that can survive long periods of neglect. Even then the volume of coffee exports has been declining in the last 10 years. While other export crops like cotton and tea already show promising signs of recovery, the country will not expect substantial earnings from these crops this year. Coffee exports amounted to 143,000 tons in 1979 and declined to a level of 133,000 tons in 1984 and then increased again to 151,500 tons in 1985. The decline in coffee production may, however, not fully reflect the true situation. A lot of Uganda coffee has systematically been smuggled out of the country by both individuals, and it would appear, official agents as well. Cotton, tea and tobacco continue to be exported, but in quantities that do not demand any particular mention here.

In 1982, however, maize appeared for the first time as one of Uganda's exports and reached a level of 40,000 tons in 1984, but declined substantially in 1985 to the level of 9,800 tons. Unit prices of our exports continued to fluctuate in response to forces beyond the control of the developing world, although international agreements under the International Coffee Organization have helped a great deal in bringing about relative stability in coffee prices in the world market. The value of Uganda's total exports reached a level of 380 million U.S. dollars in 1985, but nearly all this consists of earnings from coffee. Uganda imports in 1983-4-5 were valued at U.S. dollars 428 million; U.S. dollars 432 million; and U.S. dollars 264 million respectively. This drop reflected the country's inability to raise enough currency to finance imports, as well as political difficulties which existed during 1985. Drawings from the IMF were getting exhausted by 1984 and because the financial program with the fund was not renewed, Uganda's capacity to import was severely constrained.



Mr Chairman, the country experienced substantial trade deficits between 1980 and 1982, although by 1985 we had recorded a surplus in the trade balance largely because imports had been disrupted by the political and military problems the country was experiencing. On the capital account Uganda utilized substantial external capital, and by 1983 we had recorded a substantial surplus of 27 million dollars. This improvement reflected substantial use of borrowed resources, particularly from the IMF.

Uganda, therefore, had relied largely on external financing to finance imports. However, repurchases from the IMF -- that is to say repayment of our debts -- was already in excess of our drawings from the fund by up to 10 million dollars by 1984, thus marking the beginning of the balance of payments difficulties which the country faces at the present time.

On the international scene, Mr Chairman, Uganda, like other countries, witnessed recent sharp decreases in oil prices. This decline would have benefited the developing countries greatly. However, we do not control the oil markets and have to rely on the operations of the commercial organizations which market oil worldwide. Uganda has yet to get full benefits of low oil prices. While the effect of low oil prices was expected to be positive, and lead to higher rates of growth in the developed countries, this cannot necessarily be said of developing nations. The developing world is constantly faced with two major problems. The first is the currency fluctuations which frequently affect their balance of payments positions, and the second, fluctuations in prices of their exports. In regard to this latter problem, Mr Chairman, it is noteworthy that over the last few months, the price of coffee on the world market has dropped by as much as a dollar per kg, although at the moment it is beginning to rise again. This has considerably depressed our foreign earnings. Furthermore, the developing world, including Uganda, continues to be a net exporter of capital to the developed world. This phenomenon continues even up to this time. These flows consist of transfers of capital by commercial undertakings and the investors who operate in the developed world, as well as flows on accounts of principal and the interests on various credits raised in the developed countries.

I would now like to say a little about producer prices for price controlled commodities. In May this year, Mr Chairman, government announced substantial increases in the prices paid to farmers for controlled export crops. It is the policy of this government to offer higher and higher prices for those commodities as a means of providing an incentive for greater production, as well as reducing the imbalance between the rural and the urban sectors of the economy. However, because of the current conditions in international commodity markets, it is impossible for government to review upwards the prices currently payable to the producers. As suggested above with regard to prices for coffee, government is only making an effort to maintain prices to the farmer at the level at which they are now. Price increases are therefore impossible in the circumstances. However, government will continue the policy of offering the best possible prices in the light of world market conditions. The price for cotton in particular will be reviewed before the commencement of the coming planting season.

The Development Program: Mr Chairman, the government is in the process of formulating an investment program, which will reflect the economic policies of the NRM government. The program will not only focus its main attention on production but will also put emphasis on developing an integrated economy, so that the economy is oriented to produce as much as possible those commodities, goods and equipment that will enable productive sectors, especially industry and agriculture, to support each other. When industries begin to operate at higher capacity, Uganda should produce more of its basic needs within the country itself. The investment program is in the final stages of discussion, and when it is published it will indicate broadly what Ugandans plan to do themselves and the nature of assistance they expect from financial organizations and the friendly countries.

This budget cannot, therefore, take into account the full and final recommendations of the investment program, although during this financial year, seven projects in the program will be started. These will include the rehabilitation of our roads, as well as some industrial projects which the government considers to be urgently required. But even before the investment plan is released, the government is already implementing those policies that are fundamental to its economic policy.

Uganda intends to depend on its own resources as much as possible in developing its economy. In this connection, we will primarily use our foreign currency resources to purchase petroleum products as well as drugs for both human and animal needs, to purchase raw materials and capital imports, to produce those consumer goods which the people need as well as agricultural imports to promote more production for local consumption and for export.

Our whole resources will also be used to purchase goods and transport equipment the country cannot at the moment produce. Resources will also be used to pay for consumer goods which our industries cannot produce at the moment. We shall also use our resources to pay for scholastic materials needed in our education institutions and also to repay the country's external debts, most of which could have been avoided.

Government has also embarked on measures which are aimed at reducing demands on our foreign exchange resources. We have already reached agreements with a number of countries under which we will exchange commodities or goods with each other so that the need for use of convertible currency is reduced. In this regard, Mr Chairman, government is launching an export drive involving nontraditional exports such as maize, beans, timber, hides and skins, sim [sesame], soy beans and others. Government calls upon all persons to redouble their efforts in the production of these commodities, and guarantee a sure market to the producers at competitive prices.

Foreign investments: Mr Chairman, the investment program will make allowance for and encourage investment by investors abroad. A law exists to protect such investments, as well as giving incentives to those who

wish to invest in Uganda. The Foreign Investment Protection Act of 1964 and the subsequent decree of 1977 give details of what the investors need to do before they start on their projects in Uganda. That law provides for a committee of senior officers who are supposed to examine the nature of the proposed investment and determine whether it is in line with the country's development objectives. If the committee is satisfied it makes recommendations to the minister of finance, who signs a certificate of approved status, thus allowing the investor the right to dividends and interest on any money he might have brought in from abroad to finance his project in the country. It should be emphasized, however, that each project has to be discussed with the government on a case-by-case basis to ensure that its future operations are in line with government's economic policy objectives and will produce those goods and services that the country considers a priority.

I would like to say a word about the properties currently managed by the departed Asians' Properties Custodian Board. Government has already started on work relating to the final resolution of issues relating to properties left behind by departed Asians. We are at the moment examining the law governing their sale or return to their former owners as the law currently stands. Amendments to the law may be necessary. New legislation may also be necessary, say with regard to land tenure to provide for certain modes of sale and ownership that cannot be accommodated in the existing law. The task force consisting of lawyers, experts on urban affairs, bankers and others are currently examining the necessary procedures and modalities to be followed. Their recommendations will be submitted to government for final decision. After this process, such properties as shall be candidates for sale shall be valued and disposed of. Recommendations are also expected from the task force on the best ways of deploying and utilizing the proceeds from these sales.

I would now, Mr Chairman, like to turn to the 1985-86 budgetary outturn. [as heard Mr Chairman, the budgetary situation during the year 1985-86 was abnormally difficult. And the budgetary performance was more bad [as heard] than ever before. The original estimates for recurrent expenditure for financial year 1985-86 was shillings 213 billion, while the development expenditure was estimated at 144.6 billion. In the course of the years, these figures were revised by supplementary estimates to shillings 343.7 billion and shillings 170.6 billion for recurrent and development expenditure respectively, giving a total expenditure of 514.3 billion shillings.

On the revenue side, the original estimates for the financial year, 1985-86 was shillings 240.8 billion for the recurrent tax revenue and shillings 73.1 billion for development revenue in that order. The revised tax revenue estimates for the year are shillings 276.6 billion and shillings 125.8 billion for recurrent and development expenditure respectively, making a total of 402.5 billion shillings as against the original estimates of 314 billion. The outturn for 1985-86 budget, therefore, gives an overall deficit of shillings 104.6 billion.

Many factors made it very difficult and in some cases impossible to live within the original budgetted amount and consequently necessitated revision of expenditure estimates by supplementary provisions.

The main factors that led to these are as follows:

First: Government services which were not originally catered for in the budget, namely provision of emergency relief for the people in the war-ravaged areas especially Luwero Triangle, Arua, Moyo, Moroto and Kotido.

Secondly: The implementation of government policy to provide free education in the Lowero triangle of Arua, Moyo and the two districts of Karamoja. There was also an increase of salaries and wages due either to underestimation of police and prisons requirements in the original budget, or increases in the number of soldiers in the Ministry of Defense in the course of the year and upward revision of their salaries in the first half of the year. In addition, government had to acquire new equipment and transport facilities for the army, that is uniforms, mattresses, vehicles, etc.

Thirdly: The continued depreciation of the shilling which affected a number of payments made in foreign currency, for example, external loan servicing, remittances to our missions abroad, students allowances overseas, overseas purchases and contributions to international organizations as well as official travel abroad.

Fourthly: The internal area was the rising cost of maintenance and feeding of soldiers, the police, prisons personnel as well as prisons inmates, students in secondary schools, colleges and Makerere University, hospital patients and paramedics. These costs constantly (?roll).

Fifth: The rate of revenue collection was far less than the rate of expenditure as indicated by expenditure demands of ministries and departments. Details of the outturn of the 1985-86 tax and development revenue and external grants and loans are in the financial statement in the revenue estimates published today.

I would now like to look at the forecast for 1986-87. Mr Chairman, the main policy objectives of the 1986-87 budget will focus on financing and rehabilitating government services that have been neglected as far as recurrent budget is concerned, and repair of many state assets that have been damaged during the recent war. This includes buildings, government institutions, schools, hospitals, roads, machinery, etc. These will be covered in the development budget.

The budget will also lay emphasis on providing means of livelihood to the population in the war-affected areas under the Ministry of Rehabilitation.

In the 1986-87 budget, the overall revenue, including foreign grants among others, are forecast to increase by about 90 percent, whereas the

overall expenditure is expected to increase by about 19 percent. The total estimate of revenue published in the financial statement is shillings 777.8 billion shillings. Tax revenue is estimated at 487.3 billion. Appropriation in (aid) is estimated at shilling 16.8 billion. Development revenue is expected to be shillings 273.7 billion from the following sources:

A: Dividends from government-owned companies or companies in which government has shares: The sum of 4.1 billion is expected.

B: IDA [International Development Agency] one and IDA two, and other projects accounts which should realize 56.5 billion.

C: The Kenya Compensation Agreement Fund is expected to contribute 40.6 billion shillings.

D: The sale of buses is expected to bring in 4.4 billion shillings.

E: External grants: These are expected to bring in 72.3 billion, and external loans, these should bring in proceeds of 95.8 billion.

The total estimates of expenditure is budgetted at 1,127.5 rpt 1,127.5 billion. Recurrent expenditure is estimated at 509.7 billion. Statutory recurrent expenditure is budgetted at 134 billion shillings. Development expenditure is estimated at 474.1 billion shillings and statutory development is estimated at 9.8 billion shillings.

The total revenue and the total expenditure, therefore, Mr Chairman, give a deficit of 349.7 billion shillings. This is to be financed from borrowing from the banking system and also from nonbank sources. Subject to government decision, part of the proceeds from the sale of the custodian properties may be applied to the financing of the deficit.

Mr Chairman, most of the parastatal bodies continue to depend on government assistance for their operation. Government-proposed contribution to various parastatal bodies amounting to shillings 22.7 billion is included under the Ministry of Finance development budget. Out of this amount, shillings 7 billion is to cater for partial capitalization of the Uganda Airlines, while shillings 9.5 billion goes toward UDCS [Uganda Development Cooperation] share capital.

This government places a lot of emphasis on discipline within government in the way public funds are handled. This emphasis is necessary because rehabilitation needs in this country at the moment are pressing and many. That is the reason why the budget deficit is so large.

The Treasury will therefore place strict control on the use of funds by releasing money to ministries for only real needs which should be properly documented, by reducing the number and size of government delegations travelling abroad and in many cases to request our embassies abroad to attend meetings where Uganda will be required without sending

officers from Kampala, by insisting on proper authority before purchases can be financed with public funds, by ensuring that each ministry spends money in amounts not exceeding those provided in the budget to be authorized today.

Mr Chairman, as a result of the high rates of inflation over the last 10 years, real wages and salaries are at the moment very low indeed. At the lowest level, the monthly wage is not even enough to buy a bunch of matoke [bananas] or 5 kg of maize flour.

Government has therefore decided to increase the total wage bill of government by 50 percent and provide this increase in an individual scale in such a way that the 50 percent increase in total wages and salaries will range from token increases at the top scale to well over 50 percent increase at the bottom scale. This will, of course, not bring significant relief to the workers as the prices will still remain quite high for them. Government, however, intends to take further measures in the near future to bring about a happier balance between goods and services on the market and aggregate demand. More meaningful increases will only be possible when our production levels and the tax base expand, and when government has trimmed down the establishment where excessive staffing exists.

I will now, Mr Chairman, like to turn to the taxation proposals for 1986-87. These proposals have the following objectives. One is guaranteeing a continuous and adequate flow of revenue in the prevailing circumstances and (b) stimulating production.

The above objectives will be achieved through the following measures. (A) revision of the various tax rates in order to bring them in line with the present rate of inflation. Mr Chairman, some of these rates have not been revised for over a decade now and are meaningless compared to the cost and the importance of the services they are purportedly paid for [as heard] (B) The increasing vigilance and surveillance and therefore effectiveness of the tax administration and (C) a liberal application of fiscal policy to ensure a regular flow of the imports in both the agricultural and industrial sector at relatively low prices. Mr Chairman, these measures will form the basis for the long-term tax policy objectives.

The income tax. The Finance Act 1982 changed the (?operative) system by replacing the local committees and the tribunal with the commissioner for appeal. But since then, it has not been possible to establish the new system, the reason being the difficulty of identifying a person conversant with this new system.

In the meantime, however, objectives have been piling up, thus holding up the tax that should have been collected. I should, on the other hand, emphasize that an (?operative) system is an integral part for the effective tax administration and is instrumental in promoting (?compliance).

Consequently, to save the time and speed up resolution of disputes and therefore realize revenue first, it is proposed to revert to the old system of the local committee and also to do away with the tribunal.

Mr Chairman, in a free enterprise society it is the business sector which determines the level of investments. The increase in the level of investments is important for capital formation and therefore the rate of economic growth. To be able to increase savings and therefore the rate of investments, I propose to reduce the rate of corporation tax applicable to industry and agriculture from 50 percent to 40 percent. However, in order for business in general to make adequate contribution to the reconstruction efforts, I propose to raise the corporation tax applicable to commercial banks and other financial institutions other than insurance companies from the present level of 50 percent of profits to 60 percent of (?stocks); the rate for insurance companies will remain at the current level. I also propose to raise all other corporation tax outside manufacturing and agriculture to 60 percent.

Mr Chairman, presumptive income tax assessment popularly known as the income tax deposit was introduced in 1976. Since then it has been extended to various economic activities with a view to tapping oil sources of income.

In its current circumstances, the Department of Income Tax is seen on the ground and the constraints by transport and therefore unable to effectively reach every potential taxpayer. [sentence as heard] Therefore, as recommended in the Uganda economy study report, in the near future we shall have to depend increasingly on presumptive assessments to collect income tax revenue. In order to increase the contribution of income tax total revenue, I propose to double the current deposit rates applicable to commercial activities and adjust other deposits appropriately. The details of these will be found in the finance decree. As a result of these measures, I expect to raise 15 billion shillings.

Mr Chairman, in the budget speech last year, a new incentive scheme for commercial banks intended to encourage them to spread banking facilities to the rural areas was announced. Thus if any commercial bank opened one branch in the rural areas, it would be entitled to reduction in income tax of 30 percent. If it opened two branches, a reduction of 60 percent. And if it opened three branches or more, a reduction of 100 percent. It is now felt that this was too generous and the commercial banks could use the scheme to continuously avoid payment of income tax. Starting with the year of income 1987 this rebate will be discontinued. In the present financial circumstances, alternative measures will be taken to ensure the expansion of the banking network. Mr Chairman, these measures will become effective 1 January 1987.

Customs duty: Mr Chairman, the only significant amendment here is in respect of Section 107, Subsection 2, of the East African Customs Transfer Management Act. In order to discourage the public from holding on to

government revenue, I propose that the interest rates payable on any outstanding tax be the rule in commercial bank rates applicable to commerce. Furthermore, Mr Chairman, in the course of the administering of the Customs Law, certain measures were adopted administratively. One such measure is the requirement for prepayment of taxes on imports. I have carefully assessed the effects of prepayment on our imports and their prices and decided to do away with this requirement of prepaying for the imports.

Mr Chairman, as has already been announced, import duty rates on petroleum products has gone up -- in the case of super and regular, 100 percent; in the case of kerosene to 50 percent. The rate of duty applicable to diesel is 20 percent. These import duties in conjunction with the proposed sales tax rates result in the following pump prices: Super -- shillings 1,100 per liter, regular petroleum, shillings 1,000 per liter; kerosene -- shillings 750 per liter; and automotive diesel -- shillings 500 per liter.

Mr Chairman: In the case of beer, import duty has gone up to 200 percent.

Mr Chairman, the NRM [National Resistance Movement] government has demonstrated serious concern for the welfare of the people by ensuring that the little that there is, is shared equitably. In this case government can proudly state that with the assistance of the resistance committees, sugar has reached every household at a manageable price. But, Mr Chairman, I intend to raise the import duty and sales tax on sugar to 30 percent and 40 percent respectively. As a result of these proposals the retail price for sugar should be about 1,600 shillings per kg. This should be fairly manageable.

In addition, Mr Chairman, there are technical amendments which will incorporate PTA [Preferential Tariffs Area] rates in our customs tariffs and others which will streamline the tariffs in respect of motor vehicles to accommodate 4-wheel drive vehicles, special liquid transport vehicles and dumpers and others that will streamline tariff rates where finished products are tax-free, and yet the imports to manufacture the same locally are taxable or where both the components and the finished goods are liable to the same rate of duty. As a result of these measures, Mr Chairman, I expect to raise 37 billion shillings.

With effect from midnight tonight, Mr Chairman, the following rates of sales tax will apply. There, the sales tax will be 30 percent. Cigarettes kali [strong] sales tax will be 20 percent, other brands will be 30 percent. And for petroleum products the sales tax for super and regular will be 50 percent, and for kerosene 30 percent, and zero for diesel. These are the taxes that are reflected in the pump prices indicated earlier. Other technical amendments, Mr Chairman, will be found in the Finance Decree.

Excise duty: Mr Chairman, the following rates will be applicable with effect from midnight tonight: Beer 50 percent; cigarettes kali 40 percent; other brands 60 percent.



Mr Chairman, since 1981-82, excise duty on sugar has been suspended because there was no local production. I intend to continue with the suspension until local production starts. But I intend to reimpose the excise duty at the rate of 30 percent on Uganda Waragi [Nubian Gin]. I expect to raise 29 billion shillings from these measures.

Fees and licences: Mr Chairman, the present level of fees and licences charged under the Road Safety and Traffic Act of 1970 neither reflects the cost of administration nor the importance of the services they are supposed to pay for. I have therefore decided to substantially increase them so as to fully reflect these two. The details of the increases will be found in the Finance Decree. As a result of this measure, I expect to realize 7 billion shillings, including 1.2 billion shillings from commission on import licences hitherto collected by the advisory board of trade. This measure takes immediate effect.

Stamp Duty. Mr Chairman, stamp duty rates were last revized in 1967. The developments in the economy since then have rendered them entirely meaningless. Yet, Mr Chairman, the instruments for which stamp duty is paid are important to offer or guarantee legal security or protection. Mr Chairman, to bring this rate up to date, I have decided as follows:

One, where a value be ascertained, the rates of stamp duty will be 5 percent of the value of the instrument in respect of which stamp budy is levied.

Two, where this is not possible, that is, where no money value can be attached to the instrument, as in the case of affidavits, the present rate will be increased 300 times in partial reflection of the decline in the value of the shilling since then. This measure, again Mr Chairman, takes effect immediately.

Airport Tax. Mr Chairman, I propose to raise the fee payable by a passenger leaving the country to 10 U.S. dollars per passenger. This will bring our charges in line with the other international airports in the neighboring countries. Nonresidents will have to pay in dollars, but residents will pay the equivalent in Uganda shillings at the prevailing rate of exchange.

Freight charges. Mr Chairman, foreign-registered vehicles entering Uganda will be required to pay 150 U.S. dollars, that is, in hard currency per entry into the country.

I would also like to report, Mr Chairman, that I am contemplating the introduction of a road-user tax in order to make all road users contribute to the rehabilitation and the mainenance of our roads.

Mr. Chairman: Besides raising adequate revenue necessary to minimize financing the budget by resorting to ways and means advances from the Bank of Uganda, I intend to use fiscal policy to encourage both investment

and production. The long-term objective of this policy is to build a stronger economy and a wide tax base so as to realize growth and more revenue. I shall, therefore, Mr Chairman, on a selective basis, consider allowing the importation into Uganda of industrial and agricultural inputs and implements free of duty. Mr Chairman, in addition to the taxation measures I have outlined above, I expect to realize additional revenue amounting to 148.9 billion shillings.

Finally sir, there are other measures which will come into force in the course of this fiscal year, and these are the following. One, Mulago Hospital is to become a self-accounting organization. This is intended to speed up disbursement to the hospital as well as payment to hospital suppliers and creditors. Two, Mr Chairman, similar arrangements are being worked out in respect to Makerere University. Three, a third motor party insurance law is currently being drafted to protect both road users and motorists and this should become law in the course of the fiscal year. And finally sir, it is proposed to set up a reinsurance corporation, a parastatal, as a vehicle of development financing as well as an organ to assist in the financing of development and budget deficit.

Mr Chairman, for God and my country I beg to move.

/12624

CSO: 3400/456

## BRIEFS

RADIO UGANDA UPGRADE--Kampala, 22 Aug (UNA/PANA)--After about 6 years of poor transmission, Radio Uganda goes effectively on the air early next month, the deputy minister of information and broadcasting, Maumbe Mukwana, has said. The 2-channel radio station deteriorated to a 1-channel system in 1980, and ever since, there have been a constant transmission breakdowns, leaving almost three-quarters of the country in a total radio blackout. The government will inaugurate the new transmitters, made and installed by a Japanese firm, Nippon Electric Company, on 8 September. There will be two short-wave channels serving the whole country, and a medium-wave channel with about a 50-mile radius from Kampala. The next phase of Radio Uganda's rehabilitation will include the installation of three 50-kilowatt transmitters. [Summary] [Dakar PANA in English 1440 GMT 26 Aug 86 EA] /12624

CSO: 3400/456

## RESERVE BANK MOVES TO CURB EXCESSIVE GROWTH IN MONEY SUPPLY

Harare THE HERALD in English 15 Aug 86 p 1

[Text]

**ZIMBABWE'S** Reserve Bank yesterday announced measures to curb excessive growth in the country's money supply expected after the recent Budget.

The measures are aimed at tightening the credit markets because preliminary forecasts after the Budget, presented to Parliament on July 31, indicate that there is likely to be a strong demand for bank credits.

A Reserve Bank statement said yesterday that this strong demand for bank credit may result in the money supply expanding by as much as 35 percent. This would, in turn, result in a sharp acceleration in the rate of inflation from a current level of 14 percent to above 20 percent.

"This would undermine the balance of payments situation, including export competitiveness, leading to further cuts in imports and slower growth in the economy.

"It would also almost certainly mean that the targets set out in the Five-Year National Development Plan could not be achieved," said the bank.

Against this background the bank, in consultation with the Ministry of Finance, Economic Planning and Development, decided on the credit control measures.

As a result, the following measures were introduced with immediate effect:

Building societies, bank and financial institutions, including insurance companies and pension funds will no longer be permitted to provide funds to either individuals or corporate bodies for the purpose of acquiring non-owner occupied houses or for other speculative purposes. In addition, any borrowing for non-essential purposes is to be rigidly controlled.

The Reserve Bank of Zimbabwe is also taking immediate measures to prevent any secondary credit creation from taking place.

The statement said that at the appropriate time and as the expected build-up in money supply takes place, changes to the bank's reserve and/or liquidity ratios would be implemented and banks may be required to take up non-liquid, non-interest-bearing and non-transferable Reserve Bank of Zimbabwe bills.

Other monetary control measures to tighten credit markets will be taken as necessary.

"These measures should go some way towards curbing the quantum and offsetting the effects of the significant acceleration that would be expected to occur in the money supply if no action were taken," the bank said.

The 1986-87 Budget announced by the Minister of Finance, Economic Planning and Development, Dr Bernard Chidzero, anticipates a deficit of about \$1 050 million.

However, net foreign financing and borrowing from the domestic non-bank sector would fund the major portion of this deficit. But there would still be a significant part of the local financing that would have to come from the banking sector, the Reserve Bank said in its statement.

With expansion continuing to take place in the economy, the demands for credit in the public and private productive sectors is expected to continue to grow.

An overall increase in borrowing by these sectors from the banks of about \$300 million is also expected during the next 12 months.

"This credit demand may be significantly reduced if the Agricultural Marketing Authority is able to successfully export the current excess food stockpiles," said the Reserve Bank. — Ziana.

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CSO: 3400/435

## BUSINESSMEN FEAR SOUTH AFRICAN BACKLASH

Johannesburg BUSINESS DAY in English 7 Aug 86 p 4

[Article by Michael Hartnack]

[Text]

HARARE - Businessmen fear that plans by SA to hit back at Frontline states for sanctions, will quietly strangle their trade with red tape.

Rather than provoke an intensified international blockade of SA's own trade, it is feared SA will use other means.

So, instead of detailing specific punitive measures against countries like Zimbabwe -- which has been a prime mover in the sanctions campaign within the Commonwealth -- Pretoria might tell its railwaymen, harbourmasters and customs inspectors to take their time in processing urgent consignments to or from Frontline states.

Harare sources report that, with more than 3-million tons of maize in silos of its grain marketing board, Zimbabwe has been told only Cape Town and Port Elizabeth can now handle shipments.

This has put an extra R10 a ton, at least, on transport costs. Zimbabwe's maize farmers are paid R250 a ton but the commodity is fetching less than \$36 a ton on a falling world market.

With 94% of Zimbabwe's trade going to or through SA, only one train a day sets off along the steep gradient line from Mutare to the rundown Mozambican port of Beira.

It remains far cheaper to rail a container from Mutare 2 000km to Durban than send it 300km direct to Beira.

None of Zimbabwe's businessmen nor trade officials is prepared to talk on the record about the threat of SA retaliation.

They expect the SA government to imitate

the tactics used with devastating effect by former PM John Vorster to pressure Ian Smith exactly 10 years ago when the Henry Kissinger proposals for black rule were presented to Rhodesia.

Vital supplies, including train loads of war materials, were mysteriously delayed in SA. Pretoria's politicians blamed railway shunters and signalmen for hitches that prevented 4-million tons of Rhodesian maize exports from getting to potential markets.

Zimbabwe's most profitable export crop, tobacco, is particularly vulnerable, because foreign buyers will order rival Brazilian leaf if deliveries cannot be made by specific dates.

Zimbabwe hopes to produce a record 150-million kg export crop in the coming season. Much of it will go to waste if it cannot be moved via SA ports.

Harare's business community, which has been cowed into silence by accusations that it lacks patriotism and loyalty to the cause of black liberation -- feels Mugabe's government would be prepared to see very much more damage to the economy than Smith's regime before it admitted SA economic pressures were too great.

For the moment there is no talk of a reintroduction of fuel rationing in Harare, despite claims by Mozambique's Renamo rebels that they have blown up the vital Beira-Mutare oil pipeline.

If true, this would throw Zimbabwe back on reliance upon the SA rail tanker imports of fuel which kept Rhodesia going during the 1965-80 sanctions years.

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CSO: 3400/442

## BRIEFS

**BARTER DEAL SIGNED WITH ROMANIA**—Several thousand 24-inch black and white television sets are expected to become available at the end of the month from a barter deal which was signed between Zimbabwe and the Romanian government in February. Under the agreement Romania received short-fibre asbestos from Zimbabwe in exchange for the television components which have now begun arriving in the country and are distributed between three Harare assemblers. The trade and economic counsellor of the Romanian embassy in Zimbabwe, Cde George Dobran, yesterday handed over part of the consignment to African Electrical Manufacturers managing director, Cde Leonard Matiza, in Harare. African Electrical Manufacturers is to receive 1,187 kits. According to Cde Matiza the shortages of foreign currency were making it impossible for his firm which now employs 10 workers to continue operations. But after yesterday he said he would have to double his staff. Cde Dobran told The Herald that there were other agreements with Zimbabwe under which 200 tractors had been assembled at Willowvale Motor Industries and another 91 kits were on the way. In the case of African Electrical Manufacturers a Romanian engineer, Cde Ionita Lucian, will stay with the firm to train in and supervise the assembly of the televisions. With another barter deal with India for more television kits in the pipeline, Cde Matiza said he might have enough work for two years. He said he was aiming at a price for the sets of less than the \$1,373 which 20-inch television sets are now retailing at. [Text] [Harare THE HERALD in English 15 Aug 86 p 7] /9274

**RURAL COOPERATION AGREEMENT WITH UK**—Zimbabwe and Britain yesterday signed two agreements by which a total of \$28 million will be used to finance rural and agricultural development projects. Speaking at the signing ceremony at the Treasury offices in Harare, the Minister of Finance, Economic Planning and Development, Dr Bernard Chidzero, said \$25 million of the grant would finance agricultural and rural development projects. The remaining \$3 million would be used for the rehabilitation and reconditioning of 140 old tractors over a period of two years. Cde Chidzero said that the grants conformed to the Government's priority in agriculture and rural development which would in the coming five years receive \$998 million or 14 percent of all Government investment. He added that the United Kingdom had a good "track record" in the field of aid to Zimbabwe. The British High Commissioner to Zimbabwe, Mr Ramsay Melhuish, said after signing the agreement, that the Commonwealth mini-summit which had ended on Monday in London, revealed an important disagreement between the Zimbabwe and the British governments on how the outside world could best

contribute to a democratic solution in South Africa. [Excerpt] [Harare THE HERALD in English 7 Aug 86 p 1] /9274

**ROLE OF PEOPLE'S MILITIA PRAISED**--The Minister of State (Defence), Cde Ernest Kadungure, yesterday praised the Zimbabwe people's militia for the work they had done in assisting the army in operations. In a speech read on his behalf by the deputy secretary in the ministry, Cde Charles Tazvishaya, at a passing-out parade at Gabriel Camp, Marondera, Cde Kadungure said that the role of the militia had assumed national proportions. "With the demands on us to stretch our defence resources outside our borders and also with the need to consolidate peace inside the country, the role of the people's militia has shifted from being limited to the village to that of national defence," he said. The minister said the militia forces had participated in guarding the country's main routes and activities necessary to ensure Zimbabwe's economic survival. The responsibilities put on their shoulders were an expression of the confidence that the nation placed on the rigorous and advanced training they received, he said. Cde Kadungure told the 805 graduates that they had to be guided by the political orientation they had received in their training to improve their discipline and increase the awareness of the masses they were to work with. "When the masses understand you, you will gain their co-operation, without which, a soldier is like a fish out of water," he said. There were many examples of what a disciplined people's force could achieve. In Cuba, it was the militia which helped ensure the success of their revolution against the might of imperialist forces, Cde Kadungure said. He reminded the graduates that the people's militia was not a permanently deployed force. "After your training you will resume normal civilian life and will be called up for service when the need arises. He reminded them that they had a duty to educate and protect the masses in their areas. [Text] [Harare THE HERALD in English 7 Aug 86 p 1] /9274

**EXPATRIATE LABOR AT HWANGE REDUCED**--The number of expatriates working for the Hwange Power Station is expected to be halved in the coming year as training programmes have resulted in more qualified local staff to fit the posts, the Minister of Energy, Water Resources and Development, Cde Kumbirai Kangai, has said. Cde Kangai was speaking at the graduation ceremony for post-graduate engineers and operations staff on their completion of a two year course. He said there had been 66 post-graduates inducted into the two year programme of which 46 had completed and had been placed in positions of responsibility in the station. At the advent of independence Zimbabwe began to experience an exodus of skilled people from all economic sectors and the Zimbabwe Electricity Supply Authority was no exception. Also with the resumption of construction work at Hwange, the need to train staff to run it became a priority. But because of the increased demand for power resulting from the increased rate of economic growth, the power station had to be brought into operation without delay resulting in the employment of expatriates. At the same time, in line with Government policy for the acceleration of black advancement Zesa launched a number of training programmes as a long-term solution to the problem of unqualified staff. The power station relied on unit operators for the operation and coordination of the boilers, turbines and generators in the station. Initially when the power station began generation, these posts were filled by British and Indian electricity authority staff. Through the training courses, 28 Indian unit operators have been replaced and 25 British operators are expected to be replaced early next year. Cde Kangai thanked the British, Indian and French electricity authorities who assisted Zimbabwe in the staff training programmes. [Text] [Harare THE HERALD in English 11 Aug 86 p 5] /9274

SOUTH AFRICA

TREURNICHT SAYS REFORMS CREATING 'STRIFE'

MB160935 Johannesburg SAPA in English 2119 GMT 15 Aug 86

[Text] Pretoria, August 15, SAPA--The government's reforms were creating an arena for political strike and "cold civil war," Dr Andries Treurnicht, leader of the Conservative Party, said at the party's congress in Pretoria tonight.

He told a near-capacity public audience in the city hall that he was concerned about repeated warnings about an approaching bloodbath in South Africa.

The only policy to avert this was one of land segregation, in which people governed themselves in their own areas.

"I cannot forgive the National Party and its media for the betrayal of whites' independence," he said.

The government's political reform programme neglected the interests of whites.

The state president, Mr P.W. Botha, had "toyed with the voters" with his secrecy about the government's political programme at the National Party's federal congress in Durban this week, Dr Treurnicht said.

The Conservative Party was however, committed to continue the struggle and would not submit to the betrayal of freedom.

"The will to fight and resist is not paralysed," he said.

"There is a popular swing towards us. The consolidation of political forces is continuing."

There had been a critical economic, political and social regression during Mr P.W. Botha's rule, Dr Treurnicht said.

He criticised the government for bowing to foreign pressure.

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CSO: 3400/410



TREURNICHT ON RAJBANSI LETTER, CHURCH LEADERS

MB170933 Johannesburg Television Service in English 1800 GMT 16 Aug 86

[Text] The leader of the Conservative Party, Dr Andries Treurnicht, says his party is as much concerned about violence in the country as the government is. He spoke at the Transvaal congress of the party. Dr Treurnicht attacked church leaders who he said were backing revolution and named Bishop Desmond Tutu as being in the forefront of this movement. The Transvaal congress started in camera yesterday and ended late this afternoon.

[Begin video] [Correspondent Nico van Burick] Among the matters that were discussed for hours behind closed doors were that of greater cooperation between right-wing parties and an appeal to discuss the party's principles and policy with other race groups. At one stage today, Dr Treurnicht censured one of his party members who said preachers who preach of brotherly love between population groups were communists. Dr Treurnicht said the statement could not be regarded as party policy, but he added that his party rejected efforts at using religion to dismantle apartheid. Formally opening the party's congress last night, Dr Treurnicht referred to an allegation by the leader of the Afrikaner Weerstandsbeweging [Afrikaner Resistance Movement, AWB] Mr Eugene Terre Blanche, that his life had been threatened in a letter allegedly written by the chairman of the Ministers Council in the House of Delegates, Mr Amichand Rajbansi. Dr Treurnicht challenged the state president to answer on the truthfulness of the letter.

[Treurnicht, in Afrikaans] I want to ask the state president what the truth is regarding this matter. What is the truth? According to the statement, a minister is involved in a plan to physically get rid of an opponent. This person issuing the threat serves in the cabinet. This person, who is alleged wrote such a latter, is an ally in power sharing. We are asking what the position is. If there is something such as joint responsibility in the cabinet, do you accept responsibility for the letter? If not, then we would like to know what are you going to do about it. [end video]

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CSO: 3400/410

SOUTH AFRICA

DE BEER MEETS MINISTERS ON PORT ELIZABETH SCHOOLS

MB161017 Johannesburg SAPA in English 1015 GMT 16 Aug 86

[Text] Pretoria, Aug 16, SAPA--The deputy minister of education and development aid, Mr Sam de Beer today met a delegation of the interdenominational African ministers association in Pretoria in connection with the present situation in Port Elizabeth schools.

At the end of the meeting the two sides issued a statement on the involvement of parents in education, formation of student representative councils and current regulations being applied on schools to help normalise the situation.

The statement, issued by the Bureau for Information, said the Department of Education and Training [DET] remained committed to achieving parity in education.

It said the DET fully accepted that parents should become more involved in the educational process.

"Ample opportunities exist for parent involvement, through school committees, parent-teacher associations and liaison committees.

"A pre-requisite for effective communication, however, is that no intimidation of parent organisations or individual parents should take place," said the statement.

"Regulations aimed at normalising education these regulations were introduced to rectify a situation where 50 per cent of all pupils in the Port Elizabeth townships were boycotting schools and where disruptions were the order of the day.

"The Department of Education and Training remains responsible to parents and pupils to restore and maintain order and discipline so that effective education can take place."

The statement said pupils who were not able to re-register in Port Elizabeth schools for valid reasons, may still apply for registration at their schools before August 22.

It said pupils who had already registered should return to school as soon as possible.

On student representative councils (SRC), it said the possibility for their democratic establishment existed.

"Educationally sound guidelines for the implementation of SRC have been laid down and such SRC have already been established in a number of schools countrywide.

"The three most important guidelines for the establishment of SRC's at individual schools are the following:

--The student representative councils should be democratically elected, by secret ballot.

--The student representative council will not be allowed to exercise control over the schools or to take over the functions of the principal, staff, parent organisations and controlling bodies.

--Student representative councils will be expected to limit their interests and actions to educational matters pertaining to their own individual schools, and will not be allowed to affiliate with any outside organisation.

--No SRC may function without prior approval of its constitution by the regional director.

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CSO: 3400/410

COUNSEL FOR P.W. BOTHA DEFENDS EMERGENCY RULES

MB191221 Johannesburg SAPA in English 1219 GMT 19 Aug 86

[Text] Pietermaritzburg, Aug 19, SAPA--Regulations were only ultra vires when one looked for a sensible interpretation of them but could not find one, it was argued by legal counsel for the state president in the Pietermaritzburg supreme court today.

Mr J. Conradie SC [Senior Counsel] is appearing for the state president in an application brought against the government by the Argus Company, South African Associated Newspapers, the Natal Witness and Natal Newspapers.

The newspapers have asked for an order declaring that emergency Regulations 7 and 12 which have restricted press coverage during the stage of emergency be declared void and without force and effect in law.

The application has been made on the grounds that when he made the regulations the state president exceeded his powers in terms of the public safety act No 3 of 1953.

Mr Conradie, dealing with Regulation 7, said the newspaper groups should have come to court and attacked the way the commissioner of police executed his discretion under the regulation and not the regulation itself.

He said the regulation could not be attacked except in a case where valid executive action could not be authorised under the regulation.

Mr Conradie agreed with a submission by Mr Sidney Kentridge that Regulation 9 was "breathhtaking in scope." Regulation 9 prohibits the taking, publishing, distribution and drawing of pictures of any public disorder, or any person involved or the conduct of a force in maintaining public order.

But Mr Conradie argued that one had to look at the regulation in the light of the circumstances in which it had been made.

He said contrary to what had been argued by the applicants one could publish a photograph of past disturbances, for example, the 1922 strike. He said this was because one had to interpret the word published in the context in which it appeared--that is in the context of present acts relating to the state of emergency.

It had been criticised as being unnecessarily wide.

Mr Conradie said it was certainly very wide but the question the court had to decide was whether it was unnecessarily so.

He said it was not possible to say if it was unnecessarily wide or not because that would be interfering with the state president's discretion.

Dealing with Regulation 11, Mr Conradie said that harsh as it was on a newspaper it might be perfectly reasonable with regard to public safety overall. He said harsh interference might find justification in the minds of reasonable men if it was used for a purpose such as public safety. Mr Conradie said the court would find it difficult to decide whether the regulation was reasonable because the question of reasonableness was very wide where matters of state security and of countrywide concern were involved.

Mr Conradie argued that the powers of seizure conferred on the minister of law and order and any commissioned officer by Regulation 11 were enormously wide. But he argued they were no more so than regulations that ignored the fundamental rights of the individual and allowed for the summary arrest of a person which might be necessary in the circumstances.

He said the state president might have imposed press censorship under the emergency regulations because he thought that by restricting the free flow of news it would lead to a lessening of unrest.

Mr Conradie agreed with a suggestion by Mr Justice Kurler that Regulation 12 was more far-reaching than 11. Regulation 12 allows the minister of law and order to close down a publication for an indefinite time if, in his opinion, an issue contains a subversive statement.

Mr Conradie said it was impossible to say whether the state president had thought that restricting the free flow of news would lead to a lessening of the unrest, therefore censorship under the emergency could not be seen as unreasonable. He said it was unfortunate but a free press was always the first thing to go in a war or under an emergency.

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CSO: 3400/410

MINISTER ADVISES POLITICAL PARTIES TO 'KEEP PATHS CLEAN'

MB191541 Johannesburg SAPA in English 1533 GMT 19 Aug 86

[Text] House of Assembly Aug 19 SAPA--Political parties should "keep their paths clean" so that they did not encounter problems from the state, the minister of communications, Dr Lapa Munnik, said today. He was responding to questions by Mr Ken Andrew (PFP [Progressive Federal Party] Gardens) on the detention for two-and-a-half hours of six PFP workers handing out leaflets advertising a party meeting in Cape Town on June 16, the anniversary of the 1976 Soweto uprisings. Mr Andrew had asked whether it was normal practice for police to "harrass legal political parties." Dr Munnik, who was replying to the question on behalf of the minister of law and order, Mr Louis Le Grange, said he believed he had given a full answer. "Political parties must keep their paths so clean that they do not run into problems."

Mr Harry Schwarz (PFP Yeoville) asked Dr Munnik what he meant by political parties "having to keep their paths clean."

"I think anyone having a basic knowledge of ordinary English will know what I have said," the minister replied. He suggested that Mr Andrew table a further question why it had been necessary to detain the PFP workers for two-and-a-half hours to ascertain whether their distribution of leaflets was illegal or not.

Earlier, Dr Munnik said the six had been held "to ascertain whether in view of the declared state of emergency and the existing security situation, especially in the Crossroads squatter camp and adjacent areas, and mindful of inter alia the contents of a pamphlet advertising the meeting, a police recommendation to the magistrate and/or minister and/or commissioner (of police) was not advisable." Such a recommendation could have been made in terms of the internal security act or the emergency regulations, he said.

The leaflets had been advertising a meeting protesting against the situation in the Crossroads and KTC squatter camps near Cape Town.

The next-of-kin of the PFP workers had not been advised "because they were not detained," Dr Munnik said.

In reply to further questions on the meeting, Dr Munnik replied on Mr Le Grange's behalf that it had not been prohibited, although an SAP major had told a representative of the Cape Town city council that the gathering--which was to have been held in the city hall--could not go ahead. This was on the orders of the local district commandant. However, the divisional commissioner for the western province ordered that the city council official be told the meeting could go ahead. The PFP was informed of neither order, Dr Munnik said. The decision was made "because the divisional commissioner so decided." No action had been taken against the policemen concerned because "no reason therefore existed."

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CSO: 3400/410

SOUTH AFRICA

HEUNIS SAYS TRICAMERAL PARLIAMENT GAINING ACCEPTANCE

MB191740 Johannesburg SAPA in English 1714 GMT 19 Aug 86

[Text] Goudini, Aug 19, SAPA--The tricameral parliament was gaining more and more understanding and acceptance among all South Africans, the minister of constitutional development and planning, Mr Chris Heunis, said today. Speaking at the annual congress of the Cape Province women's agricultural society, he said the new system had survived all the storms so far and the unresolved question of including blacks in powersharing was now receiving priority attention. "This is in accordance with the government's mission to establish a democratic political order which will be internally and externally acceptable as legitimate through popular support within the country." The government recognised the need to secure the interests of all segments of society by including black communities in a future dispensation.

He said the recently constituted regional Services Councils were statutory multiracial local government bodies which were responsible for the development and provision of services on a regional basis. They provided for effective powersharing at local government level and therefore represented a broadening of democracy.

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CSO: 3400/410



COURT HEARS ARGUMENTS AGAINST PRESS RESTRICTIONS

MB181454 Johannesburg SAPA in English 1241 GMT 18 Aug 86

[Text] Durban Aug 18 SAPA--The real vice of Emergency Regulation 11 was that an editor had no way of knowing what in the opinion of the minister of law and order constituted a subversive statement, it was argued before a full bench in the Pietermaritzburg Supreme Court today. The argument was heard during an urgent application by the major English-language press groups in South Africa, challenging [word indistinct] of the emergency regulations which have placed severe restrictions on the media.

The Argus Company, South African Associated Newspapers, Natal Newspapers and THE NATAL WITNESS have brought the application before the acting deputy judge president, Mr Justice R.N. Leon, Mr Justice M.E. Kumleben, and Mr Justice P.M. Nienaber, attacking Regulation 7 to 12 and asking that they be declared void and without force and effect in law. The application has been made on the grounds that in making the emergency regulations, the state president exceeded the powers conferred on him by Section 3(1) (a) of the Public Safety Act No 3 of 1953. Regulation 11 authorises the minister or a commissioned officer to seize a publication which in their opinion contained a subversive statement or information which they consider may be detrimental to public safety, the maintenance of public order or the termination of the state of emergency.

Mr S. Kentridge, for the newspaper groups, argued that the real problem with Emergency Regulations 11 and 12 was that they punished a person by confiscation and an enormous fine without the benefit of a trial. He said that Regulation 11 allowed the minister or a commissioned officer authorised by him to seize a publication if, in their opinion, it contained a subversive statement even if, objectively viewed, the statement was not subversive or would not be found so by a court. Mr Kentridge said Regulation 11 was made worse by the fact that it allowed for confiscation even if a publication contained information which was or might be detrimental to the safety of the public, maintenance of public order or the termination of the state of emergency. He said there was not only uncertainty over what would be subversive in the minister's opinion but also who was to say what would be detrimental to public order. Mr Kentridge said it was impossible to say how far this regulation went.

He said in a sense the whole of political debate in any country was detrimental to the safety of the public or the maintenance of public order. Mr Kentridge said if one guessed wrongly what the minister's opinion was of a statement or anything one published in a newspaper, the punishment for guessing wrongly was inordinate.

Mr Kentridge said Regulation 12 was marginally better than 11 because there was no reference to information that might be detrimental to the safety to the public. He said it was more drastic in that it allowed the minister to apply the seizure to any or all publications published by a person if he was satisfied that one issue of the newspaper, for example, contained what he thought was a subversive statement. Mr Kentridge said the minister might make an order that related to every subsequent issue of the newspaper that contained the statement and any other publication brought out by that company.

Mr Kentridge argued that the commissioner of police had not adhered to Regulation 8 when he issued orders relating to the press by telex through the South African Press Association. He said Regulation 8 which dealt with promulgation of orders under the emergency was ultra vires, but added that even if it were in order, the commissioner had not followed the regulation because it did not provide for promulgation by telex as he had done. Mr Kentridge was referring to two orders made by the commissioner of police relating to the press.

The first forbade anyone from announcing, disseminating, distributing, taking or sending out of South Africa any news or comment about any conduct of a force or one of its members except with the commissioner's permission. The second order prohibited journalists who were reporting from being in any one black residential area or areas where unrest may be happening.

Mr Kentridge said even if it were possible to promulgate by telex, the actual order had not been duly promulgated because what came out on telex was an inaccurate paraphrase of the order made.

The hearing continues.

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CSO: 3400/410

GROUP AREAS EXEMPTION POSSIBLE FOR CERTAIN AREAS

MB151757 Johannesburg THE CITIZEN in English 15 Aug 86 p 4

[Article by Tony Stirling]

[Text] Strong speculation exists in informed government circles in Pretoria that certain urban areas in South Africa which because of housing pressures have become mixed will be exempted from the provisions of the Group Areas Act.

It is understood this was meant in a reference by Mr P.W. Botha, the State President, to a new approach to the Group Areas issue.

It is being suggested that the government will permit as a status quo the situation which had developed in areas like Hillbrow, Johannesburg, exempting it from the provisions of the Act.

In so doing, the government would maintain separate areas of housing for the different racial groups but allow mixed corridors, which have developed naturally because of housing pressure, to continue to exist.

Such exemption would, it was pointed out, accommodate the government's plan for mixed trading areas. Some officials go so far as to suggest that provision might eventually be made for the creation of mixed education facilities in these areas.

The sources said that because of the de facto situation in areas such as Hillbrow, it appeared that policing of complaints of contraventions of the Group Areas Act was largely confined to acting on specific complaints of contraventions of the Act.

Much the same situation had prevailed during the build-up to the scrapping of the Immorality Act and the Mixed Marriages Act.

The sources speculated that exemptions would apply only to areas where mixing had become an entrenched feature but that further mixed corridors could develop if the tendency spread to other areas. In this way Mr Botha could keep his pledge of maintaining separate residential areas and other facilities for all race groups--but at the same time make provision for people to be accommodated in mixed areas.

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CSO: 3400/410

SOUTH AFRICA

RIGHTWING PARTIES MEET IN PRETORIA

MB121310 Johannesburg SAPA in English 1053 GMT 12 Aug 86

[Text] Pretoria, Aug 12, SAPA--The leaders of the Conservative Party [CP] and the Herstigte Nasionale [HNP, Reformed National Party] Party met in Pretoria this morning in yet another attempt to reconcile their political differences and open the way for a permanent united right-wing front against the National Party Government.

The CP leader, Dr Andries Treurnicht, and his HNP counterpart, Mr Jaap Marais, accompanied by their leading party members met at mid-morning. A working luncheon was also on schedule, spokesmen said.

Memoranda setting out their respective standpoints and dealing with policy differences had been exchanged a few days ago but it was impossible to say how long the talks would last, a CP official said.

"It may last a long time, or there may be a walkout."

Repeated attempts to unite the two parties since the CP was formed in 1982 have failed, partly as a result of personality clashes between the two leaders.

But when the two parties have agreed to cooperate in opposing the NP in by-elections, as has happened a number of times already, the effect of a combined right-wing against the government has been noticeable.

The NHP's first and only member of parliament, Mr Louis Stofberg, beat the NP to win the Sasolburg constituency last year because the CP agreed not to field a candidate and support him instead.

A similar pact has been agreed by the two parties for the Klipriver parliamentary by-election in September, where it will be a straight fight between the HNP and the NP.

The leader of the extreme right-wing organisation, the Afrikaner Weerstandsbeweging, [Afrikaner Resistance Movement], Mr Eugene Terreblanche, has repeatedly urged the two parties to unite so that "conservative" whites can present a single front to the NP.

Besides the personality clashes between Dr Treurnicht and Mr Maraia, differences in the parties political philosophies are a major obstacle to a merger, even though both of them essentially strive for the same ideal.

The HNP, which adheres strictly to the verwoerdian doctrine, broke away from the NP, which was then led by Mr John Vorster, in the late 60s.

Dr Treurnicht and his faction split from the NP only in 1982 after a dispute over the then prime minister Mr P.W. Botha's policy of power-sharing as opposed to division of power.

A spokesman for the CP said if today's talks were "positive" a statement would be issued late.

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CSO: 3400/410

## SOUTH AFRICA

### BRIEFS

LE GRANGE: NO JOURNALISTS CHARGED--House of Assembly, Aug 19, SAPA--The police had not investigated any alleged offences by the media under the emergency regulations, the minister of law and order, Mr Louis le Grange, said today. Replying in writing to a question from Mr Peter Soal (PFP [Progressive Federal Party] Johannesburg north), Mr Le Grange said no journalists or newspapers had been charged with offences under the emergency regulations. [Text] [Johannesburg SAPA in English 1640 GMT 19 Aug 86 MB] /6662

UNIVERSITIES 'SILENT MAJORITY'--House of Representatives, Aug 18 SAPA--Universities should not allow revolutionary elements to impose their will on "the silent majority," the minister of national education, Mr F.W. der Klerk, said today. Replying to the second reading debate on the universities amendment bill, he said he was concerned about the situation on certain university campuses. Large amounts of money were being paid for the education of students and universities should not allow revolutionary elements to impose their will on the silent majority. Mr Abe Williams (LP [Labor Party] Mamre) said during the debate that he supported the call his party's leader, the Reverend Alan Hendrickse, for the closure of the University of the Western Cape. He said there should be freedom of expression at universities but that freedom should not restrict the freedom of others. Mr De Klerk said that in terms of the bill the committee of university principals would prescribe the requirements for admission to universities and exemptions from these requirements. Principals of black universities would not be members of the committee, whereas before they had nominated representatives to the committee. [Text] [Johannesburg SAPA in English 1616 GMT 18 Aug 86 MB] /6662

AFRIKAANS NEWSPAPERS TO COOPERATE--The chairman of Perskor, Dr Willen van Heerden, has announced that steps to increase cooperation between the Afrikaans newspapers DIE VADERLAND and DIE TRANSVALER will be made public shortly, but that these will exclude the disappearance of any newspapers. Dr Van Heerden was reacting to rumors on the merging of the two newspapers. He also said in a statement in Johannesburg that there would be no retrenchment of any staff. The board of directors of Perskor announced today that Mr G.J. (Kotze) has been appointed editor DIE VADERLAND from 1 September. He succeeds Mr Harald Pakendorf who resigned recently. [Text] [Johannesburg Domestic Service in English 0915 GMT 15 Aug 86 MB] /6662

NATAL: 'GUINEA PIG' FOR GOVERNMENT--House of Assembly, Aug 18 SAPA--The government was using Natal as a "guinea pig" for its plans to extend "full power-sharing" with blacks to the whole of South Africa, Mr Louis Stofberg (NSP [Herstigte National Party] Sasolburg) said today. Opposing the second reading of the joint executive authority for KwaZulu and Natal Bill, he said it was the most significant legislation to come before the house this session. The bill made it possible for a black man to become the second tier executive authority for all of Natal and for a black language to become the third official language of South Africa. This was in conflict with the constitution. The state president, Mr P.W. Botha, had said the proposed joint executive authority for Natal could be extended to other provinces. "We are on the road to a new dispensation. The government is bringing about a dispensation where the black masses will be involved in real power-sharing for the first time, first with the Zulus in Natal and then eventually full power-sharing." [Text] [Johannesburg SAPA in English 1618 GMT 18 Aug 86 MB] /6662

CSO: 3400/410

BUTHELEZI SAYS BOTHA 'NOT MOVING FAST ENOUGH'

MB210954 Johannesburg SAPA in English 0944 GMT 21 Aug 86

[SAPA PR Wire Service; issued by the Chief Minister's office, Ulundi]

[Text] Newcastle, Friday--The mere scrapping of apartheid would not solve South Africa's internal and external problems unless it were replaced by something acceptable to all races, Chief Mangosuthu Buthelezi said here today.

But this fact, he told executives at a luncheon at Talkirk Industries, was something the state president and the government had so far failed to grasp.

The KwaZulu chief minister and Inkatha president said he strongly rejected internal manipulative influences by foreign countries--only this country could solve its problems.

He warned, however, that it would be courting economic disaster to adopt an arrogant go-it-alone attitude and its problems would be insoluble if South Africa remained totally alienated from Western industrialized countries.

President P.W. Botha had shown courage in moving away from Verwoerdian politics but he was not moving fast enough. The problem of managing real reform was that the policy of giving "too little, too cautiously" was a prescription for the kind of total disaster which it was designed to avoid.

Chief Buthelezi said that, despite every protestation by Mr Botha, there had been no real negotiations between black and white and the state president was still insisting on being the sole arbiter of what reforms should take place.

He had not yet recognized that geographical entities must be racially mixed entities. He continued to talk about a "country of minorities" and to hold out the hope that South Africa could rediscover democracy and re-invent a parliamentary process in which the principles of democracy could work.

In fact there was no prospect of moving towards a true democracy while there was an insistence on criteria of race, color and creed.

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CSO: 3400/470



BUTHELEZI DISCUSSES AFRIKANER-ZULU COEXISTENCE

MB230447 Johannesburg SAPA in English 2040 GMT 22 Aug 86

[Text] Durban, 22 Aug, SAPA--The guarantees of apartheid are 10-fold more dangerous than any guarantees which whites have sought from blacks in Africa, according to Chief Mangosuthu Buthelezi.

Addressing a meeting of the Afrikaner youth movement, the Junior Rapportreyskorps, on the continued co-existence of Afrikaner and Zulu cultures, the KwaZulu chief minister said today Afrikaners in particular had to grasp the reality of being "white Africans."

If Afrikaners thought only of themselves and made their own interests their prime interests, they would fail themselves and the whole of South Africa.

He said Afrikaners often put forward the argument of "preserving their culture" as a smoke-screen to promulgate laws which gave them control over other cultural groups.

"Afrikaners never needed apartheid and its legislation to ensure cultural survival. The very things that were drummed up in support of survival of the Afrikaner have turned into threats which are ever-increasingly becoming unmanageable," he said.

Chief Buthelezi said Afrikaners were also increasingly aware that they were being subjected to a barrage of criticism that was denying them their "value as human beings."

Yet if the recent National Party Congress in Durban was anything to go by, the Afrikaners still had not come to the point of taking the black man's hand and moving into the future with him, he said.

The Inkatha leader said he understood white fears and he believed that sinner-take-all politics were the prescription for disaster. He said blacks did not believe they had to "smash" whites to show them that they could live in peaceful co-existence.

"That is why I am prepared to look at alternative forms of democracy such as the federal and canton systems. But whatever system we end up with in South Africa, history has already decreed that it must be a system in which there is only one government for one people in our country."

Referring to Afrikaner fears that their identity would be swamped under a black government, Chief Buthelezi said the Zulus had been crushed by the British empire, yet today were a powerful political force to be reckoned with. The Jews had been persecuted for centuries, yet had never lost their identity, he added.

He said Afrikaners should realize that animosity had not reached the stage where blacks rejected everything Afrikaner "with contempt," but the longer whites withheld power-sharing, the more likely blacks who wanted to wrest it from them would succeed.

"There is no better guarantee for the future co-existence of Afrikaner and Zulu cultures than for the state president to take the final bold steps that will make his words that apartheid is outdated credible in black ears."

"If apartheid is not dismantled soon, neither Zulu nor Afrikaner culture, nor for that matter any culture, will have any chance of any continued co-existence if change is achieved through the barrel of a gun."

"We will finally end up with a culture for all the people dictated to by a tyrannical regime in the name of the people," Chief Buthelezi said.

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CSO: 3400/470

SOUTH AFRICA

PEOPLE'S ARMY LEADER, ANC'S MODISE DISCUSSES STRUGGLE

EA111207 Addis Ababa Radio Freedom in English to South Africa 1930 GMT  
10 Aug 86

["Continuation" of "exclusive interview" with Joe Modise, "senior commander" of the People's Army, by unidentified reporter; date and place not specified -- recorded]

[Excerpt] [Reporter] [Passage omitted reviewing first, referent part of interview] You mean these so-called [words indistinct] are all creations of the regime? The regime has, the South African police and army have denied that [words indistinct].

[Modise] In fact none of us expect them to admit (?it), because if they admit that then this thing will be seen in its correct, in its proper context. They will always deny it. But the fact of the matter is that those (witdoekes) and those "a" teams that they are talking about, these are part of the army and the police and also puppets who are collaborating with the regime.

[Reporter] Comrade Commander, the ANC has been holding some meetings with groups from South Africa including businessmen, political parties as well as trade union organizations and democratic forces. Now, particularly those are the forces that are not part of the democratic movement. What does the ANC hope to achieve from (?these) talks.

[Modise] You see we have always stressed [words indistinct]. And naturally, when our people come to us and they want to know the aims [word indistinct]. Even those who may not be agreeing with us, it is our duty [word indistinct] then to explain the policies [words indistinct]. It is our duty to [words indistinct] the kind of South Africa that we intend to build.

[Reporter] But now has there been any movement forward or any achievement gained from these talks?

[Modise] A lot of achievement has been gained [words indistinct] in that some of these groups that are coming to see the ANC did not know that the ANC [words indistinct]. These meetings have helped to get them to understand the kind of movement the ANC is and it has also helped them to know the kind of South Africa we would like to create.

[Reporter] Comrade commander, at the beginning of this month school term started and it started at a time when students decided to boycott classes in support of the call for a day of action by Cosatu. But the regime has imposed on students to wear tags. Do you think that the regime is still having control of the situation, particularly in the schools?

[Modise] This is an admission on the part of the regime that it has lost control completely over our people and also the students in the schools. In fact, the regime is trying to turn those schools into concentration camps. These identity tags that the kids are going to wear, as far as the regime is concerned they think this will enable them to [words indistinct] students who are militant and who are opposing the regimes [word indistinct]. But we think that this method of [words indistinct] and all methods that they have tried in the past.

Firstly, they have been talking about the abolition of passes. It is another form of a pass -- this identity tag that our kids will be wearing when they go to school. In fact it is not going to help the regime. It is going to aggravate the situation. Our people have reached a stage where they are no longer [words indistinct]. They will fight it in the schools, they will fight the regime in the schools, they will fight the regime in the streets of our country, they will fight the regime in the countryside. There is no way by which the regime can stop this forward march on the part of our people.

[Reporter] Talking about the pass laws, the regime has said that it has abolished the passes and it has also abolished a number of other apartheid laws and [word indistinct] apartheid laws. Now, do you mean that you do not appreciate (?that) process?

[Modise] We have never asked for reforms. We have always said that apartheid should be done away with. It should be destroyed completely. And as far as we are concerned this abolition of passes is not doing the trick. It is not doing the trick. This exercise is not coming for the first time. In the past we were told immediately when the nationalist party came into power that the passes were being abolished and they would [words indistinct]. We found that the reference book was worse than the original pass that our people were carrying.

And we also believe that this latest exercise is going to be worse than the present pass that it being carried by our people because the regime says that the latest identity pass is going to be abolished. People are going to be given identity cards and these identity cards are going to be given to all the people, black and white people, but we know that those who are going to be called upon to produce those identity cards in the streets will be Africans and not the whites. And we are not convinced that the abolition of these passes and its replacement by these identity cards that they are talking about is going to improve the situation of our people.

In any case, this is not what we are calling for. For us the change of documents is no longer important. What is important now is for our people to have power, political power, in their hands. What is important now is that our people should rule themselves. We should do away with one racial group dominating [words indistinct] where each and every person will participate fully in the making of [words indistinct].

[Reporter] But then if you are not impressed by these reforms that presently have come about, what would in your view, the ANC, constitute a dismantling (?of apartheid)?

[Modise] In fact, we don't want to dismantle apartheid, we want to destroy apartheid because some racists in the future may reassemble this apartheid we want to do away with. Apartheid is an evil. It is a crime against humanity. We would like to bring about a South Africa that is free from any form of discrimination.

[Reporter] Comrade Commander, the regime has called on what it calls the nationalists in the ANC, actually Botha has said it in parliament that he is ready to talk to them or they can come back home, even those that in prison can come out and leave the so-called communists in the ANC. What do you think is behind this statement?

[Modise] This is a devisive trick on the part of the enemy and the enemy will not succeed. We have seen the enemy in action. It is not the first time that these divisive tricks have been employed by the enemy against our people, against our movement. The ANC is a united body. In (?our) deliberations of the national liberation movement, so far as our movement is concerned, all patriots who are prepared to help us destroy apartheid are welcome. We do not ask for identities of people [words indistinct] of the ANC as long as they are prepared to abide by the policies of the movement and they are not agents of the enemy who are coming to destroy the movement from within, such people, people who are genuine patriots, are welcome in our movement and we in the ANC fight all the enemy's tricks and will always fight for the unity of [words indistinct].

[Reporter] But then, at the same time are you not appearing intransigent because you are maybe losing a chance which the regime is giving over to the ANC to come and to discuss and come back and establish peace in the country? Is that not intransigence on the part of the ANC to be consistently demanding the transfer of power?

[Modise] It is our right to demand the transfer of power. As far as we are concerned, we do not expect, there is no chance here as far as we are concerned, and we do not expect any handouts from the enemy. In fact, we will create a situation where the enemy is going to be compelled to hand over that power. We are not going to be invited by him. We are going to force the enemy to transfer that power to the people and the ANC with the support of our people has got that capacity and this must be very clear in the minds of those who are now withholding power from the people that their time is running out and is running out very, very rapidly. We have got the capacity to take power [words indistinct].

[Reporter] But they have called on the ANC to be involved in the process of power sharing?

[Modise] Power sharing with whom, power sharing with whom? Why, why do we have that problem? Why is it difficult for them to have a referendum, a national referendum, not a racial referendum, and find out from our people as to what kind of South Africa is wanted? Why don't they do that? Why don't they, they said that they are a people who believe in democracy why? Why cannot they put this whole process to a test? We called upon them in 1955. The ANC had a referendum, a congress of the people took place where the entire nation participated and there they decided on a document which was going to guide a future South Africa. Why can't they do that? Why can't they do the same? Why can't they have a referendum where we will be equal, where our people will be able to decide on the policies of that country? So as far as we are concerned, there is no intransigence on our part.

[Reporter] So the ANC believes in the intensification of the armed struggle?

[Modise] That is the only way open to us. That is the only way open to us and we did not take this decision very lightly; we were forced by that regime and the oppression that is being carried out, carried out against our people to take up arms against that regime and we are going to continue developing [words indistinct] to a point where the enemy is going to [word indistinct].

[Reporter] But you have been called upon to renounce violence and come back home or to participate in the process of doing away with apartheid.

[Modise] We cannot give up the only means of bringing about changes in that country. If we must stop armed struggle and go back to Botha and go and negotiate with Botha there is very little to be expected from that. We do not expect Botha to give up power voluntarily. He is not going to do that. The only way in which Botha is going to transfer power is when Botha is faced with a fighting people and a people who are fighting with arms in their hands.

[Reporter] Now comrade commander, what would be your command to the fighting people of South Africa and the combatants of the Umkhonto We Sizwe?

[Modise] This is the 25th anniversary of Umkhonto we Sizwe. Our movement has given us the order to escalate the struggle. We in turn, as commanders of Umkhonto we Sizwe, are calling upon all our combatants throughout the country to intensify the struggle.

In fact, we are saying to them they must take the struggle away from the black townships and take it to the seat of apartheid. They must take it to those who are legislating against our people. In other words, what we are trying, what I am trying to say is that wherever there is an (MK) soldier, that soldier must intensify the struggle against the common enemy.

We also call upon the working people of South Africa, wherever they are, to support (MK) and continue with the popular struggle against the enemy. This goes for our students, this goes for our youth. It goes for the entire nation. The time has come for us to force that regime out of power and bring about a people's South Africa, a South Africa in which each and every person will live, freely, happily and peacefully.

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CSO: 3400/470

ANC'S MAHARAJ ON CONSOLIDATING STRUGGLE

EA221119 Addis Ababa Radio Freedom in English to South Africa 1930 GMT  
21 Aug 86

[Remarks by Mac Maharaj, ANC national executive committee member; date and place not given--recorded]

[Text] [Announcer] Compatriots, the emergence of the UDF [United Democratic Front] into the political scene of our country came when our nation was already using among other methods armed struggle. But the UDF clearly declared that it is a non-violent organization, and that it will pursue all its activities without resorting to violent confrontation with the system. But the fact of the matter is that we are faced with a violent enemy, a regime that relies on vicious violence and repression to maintain itself in power. In the situation obtainable in our country today it will not be possible for any organization fighting against the racist regime not to meet with the violent repression of the Pretoria regime.

Is this not a contradiction that such a patriotic organization like the UDF can, at this epoch, declare itself a non-violent organization? In responding to that question Comrade Mac Maharaj, a member of the National Executive Committee of the ANC and senior officer in the ranks of Umkhonto We Sizwe, draws our attention to the importance of consolidating all the four pillars of our struggle, especially armed struggle, mass mobilization and underground organization.

[Begin Maharaj recording] The regime has always [word indistinct] on a situation working to divide our people. Now the clearly visible form is the way in which it divides Africans, Indians, so-called coloreds, the way it divides among the African people Zulu, Xhosa, Shona, Venda, or whatever you have. Now the other aspect of it: By imposing conditions of illegality on our struggle for liberation, it has forced us to a position where different planes of action, different arenas of illegality on our struggle for liberation, it has forced us to a position where different planes of action, different arenas of struggle become somewhat isolated from each other. The ANC position is very clear. We have formulated, as far back as 1969, a clear strategy and tactics for revolutionary change. We have emphasized that, given that more flesh from time to time. The basic elements of that strategy, as I said earlier, are one of a peoples war. In fact we have foreseen it as a protracted peoples war.



Without going into details of that, what are the major elements? Comrade Nelson Mandela in a message that he smuggled out from prison said at the end of his message that it is between the anvil of united mass action and the hammer of the armed struggle that we shall crush white domination in our country. He isolated therefore, in that statement the arena of orthodox political struggle and the arena of armed struggle. Bridging these two is the underground network of the revolutionary vanguard of the ANC, the political network of the revolutionary vanguard of the ANC, the political network inside the country. Therefore, one of the problems that we have to constantly ask ourselves, activists inside the country and outside, all the time, is that we who are forced to work in specific arenas do not begin to see the overall strategy for change only from the perception that we acquire through the compartment in which we work. If we do that we would be making a major -- committing a major error in the advancement of our struggle.

Mass mobilization, united mass action, has been the consistent message of the ANC and in fact, last year and this year, in his January the eighth messages, our President Comrade Tambo consistently worked at this problem, calling upon our people to unite in action, calling for unity in action. His emphasis were on unity and on mass action. I believe he was responding correctly to the situation in our country. Now, that action is important in itself. Let no one denigrate what the masses of our people are doing. Let no one underestimate the importance of that work, because it is the school of politics, the school of revolution. But alone, it is confined to the bounds of legality imposed by the regime, and it is true from time to time by vigorous mass action it is possible to extend that area of legality, as from time to time in upsurges, our people at home viturally make the ANC legal and make the regime powerless to impose its laws. Nonetheless, they work in that confined arena. It is, as I said, the school of revolution.

But it is the point which needs to be linked to armed action and armed struggle, and to underground political work, because you can explain within the bounds of legality the conditions that our people endure in the process of mobilizing. They will always be running the gauntlet with the law. But we can never (?accept) that we should explain to our masses within the bounds of legality. The true explanation of our system, of its real meaning for our people, has got to be explained with the freedom that is not available within the law of our country. The ANC, therefore, has to speak, and speak without regard to the legal restrictions imposed. And it had to organize the best, the most steeled, that emerged in the mass struggle. And it has to link such forces carefully with the development of our armed struggle.

I think commentators have been remarking that one of the specific features of the actions of Umkhonto We Sizwe over the recent years has been the increasing linkages between what Umkhonto does and what the masses are doing. And that is correct. Because what we do at the armed struggle if we are to develop peoples war must be such that irrespective of what the enemy does, irrespective of how the enemy seeks to block us the masses

feel what is taking place and what is done by Umkhonto are something that is in defence of them, of their interest, in advancement of their interest, and therefore come to see the need that they themselves have to get involved in that armed struggle and armed action. It is by uniting these three major elements, bringing them together, that we will achieve our victory. But again comrades, let us not underestimate the difficulty in our (?work). This unity of these elements, this bringing together these three elements so that they act in coordination, is not something that can be just imposed, and is not something that can be answered in simple rules by sitting over a table and working out a diagrammatic representation of the relationships.

It will take the forms that are dictated by the actual conditions in which we are struggling. It involves the different strategy, different tactics, for different areas of our country, urban and rural, the differences that are seen between one urban area and another, the differences that are seen between one rural area and another. To each of these the structural forms in which each is brought closer together will have to be worked out as the struggle unfolds. The important thing is that each of us, in whichever arena we may be involved, must always ask ourselves: Is our particular perception of the way forward not being distorted by the fact that we are concentrating on one arena of struggle?

I think that the ANC, with its history, with its experience, and with the fact that it maintains a rear base, and a powerful rear base outside the country, forced by the enemy, has today an advantage in that it is able to take stock of its overall situation (?and) keep mapping the way forward. This is why it is not necessary for us to claim [words indistinct]. What is important is to see how the strategy is unfolding and to see which way to push it forward for further effect. [end recording]

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CSO: 3400/470

SOUTH AFRICA

ANC RADIO HAILS SWAPO STRUGGLE

EA261127 Addis Ababa Radio Freedom in English to South Africa 1930 GMT  
25 Aug 86

[Station commentary: "We Stand With our Brotherly People of Namibia"]

[Text] Compatriots, when the sisterly people of Namibia mark the 20th anniversary of the launching of the armed liberation struggle in that territory tomorrow, they shall do so with spears in their hands, for they are today better posed to destroy that regime of racial domination in their country. This anniversary of the formation of the People's Liberation Army of Namibia, PLAN, comes at a time when the racists themselves have admitted on more than one occasion that the war in Namibia is proving to be very costly for them.

At one stage, they even appealed to their friends in the western world to assist them in continuing the occupation of that territory. These developments were not simply a natural phenomena, but they were as a result of the heroic struggles waged by the people of Namibia. During the past 20 years, combatants of plan have demonstrated unparalleled determination to face up to Botha's military machine. Today, it is estimated that more than 100,000 apartheid troops are pinned down in the war in Namibia and others are engaged in the war of aggression against Angola. Conservative estimates put the expenses incurred by the Boers in Namibia because of the war at 1 million rand a day. This sky high war budget shows how determined the Boers are in holding onto that country for a long time to come.

A question may arise, why are the Boers so much committed to maintaining their domination of that country? Would it not be better for them to give up Namibia since it is clear that they are losing a lot because of that war? Why are the western countries also backing them up in their continued occupation of that territory, despite a pile of international resolutions calling on the Boers to give independence to Namibia?

Why continue with a war that has drastically undermined the morale of the apartheid army? The answer to these questions is simple. Namibia is very rich in minerals. The racists know very well that immediately they can give over the control of Namibia to SWAPO, it will not be that easy for them to obtain those minerals. The Boers are also using the issue

of Namibia to blackmail the western countries by telling them that if it loses its control, the west will also lose its main source of minerals and raw materials.

Nowadays as the world is discussing the issue of sanctions against Pretoria, the racists are harping on the issue of vital minerals which the west will lose as a result of sanctions. The west also is very much interested in the continued occupation of that country.

In the early seventies, an international convention was issued calling on all countries to cease extracting any minerals from occupied Namibia. The convention declared it a crime for any country to extract or deal in any way with the minerals from Namibia. But, up to now, the leading western imperialist countries are refusing to listen. Instead, they are increasing their involvement and are illegally exploiting the national heritage of the Namibian people.

On the other hand, the racists, together with their western backers, are not in any way prepared to let Namibians to govern their own country because of the strategic importance of that territory. The Boers are using Namibia to launch their unprovoked war of aggression against Angola and other frontline states. Earlier this month, Angola reported yet another incursion by the racists into one of its towns in the south.

The capitalist countries, on the other hand, support the war against Angola, because the independent line of development followed by Angola is not in their interests. It is that determination to overthrow the MPLA-LED government that made the President of the United States, Ronald Reagan, to stoop so low in January this year and hold a meeting with Jonas Savimbi, the discredited sell-out of the African cause.

So the Pretoria regime and its patrons in the world know very well that a patriotic government in Namibia will never allow its territory to be used aggression.

The heroic people of Namibia are not taking these developments lying down. The whole population of Namibia is highly mobilized against occupation to a point where the enemy knows very well that it can get no cooperation from the local (?population). Its puppets who have agreed to sell their manhood for a mess of potage have been exposed and discredited.

Because of this high level of political awareness, the enemy has failed on more than one occasion to impose its own solution on the Namibian people. Its so-called internal settlements which excluded SWAPO have been rejected and rendered ineffective. Instead, since 1984 we have seen a number of politicians from the so-called internal party joining SWAPO to a point where even the racists have had to express [word indistinct].

On the military front, the people of Namibia are intensifying armed struggle. Today, the shelling of apartheid military establishment has become a

frequent occurrence. Despite attempts by the enemy to play down SWAPO's victories in the battlefields, reports continue to speak of low morale within the enemy army with quite a number of young whites dodging military service. Even white parents have started complaining about the increasing number of their sons who are perishing on the war fronts or at the border.

Fellow countrymen, we, the people of South Africa, cannot remain spectators in that war of occupation. The soldiers that are occupying Namibia are our compatriots. The clothes that they put on, the weapons they use, all their supplies come from our sweat and blood. With our labors at our places of employment, we maintain that war.

The very same army that is occupying our townships is the very same army that is occupying Namibia. The commanders that plan atrocities against the Namibian civilians are still those who planned and executed the countless massacres against our people. Therefore, the war that the people of Namibia under the leadership of SWAPO are engaged in is intricately bound up with the war that we are fighting in the dusty streets of our townships.

In this regard, we call on our white compatriots to do something to cripple the apartheid war machinery which rests in their hands. We say to them, those who are opposed to all the military crimes that are being committed in the name of civilization, those who are opposed to the state of emergency, must do something today against that army of occupation and aggression. That army can never last a day longer without the support of the white South African population.

We therefore call on our young white compatriots to escalate the level of war resistance. Refuse to murder the people of Namibia. Refuse to massacre the population of southern Africa. Refuse to be sent to the townships. Our call also goes to the entire white community of our country. The arrogant Nazi-style speeches that were made recently at the Nationalist Party's Federal Congress in Durban were a call to whites to throw in their lot with racist domination.

We call on them to refuse to join Botha in his attempts to salvage his policies. It is high time for them to realize now that Botha cannot guarantee their security. To guarantee its own security, white South Africa has to come over to the side of the forces fighting for a democratic and nonracial society. The alternative that Botha offers them, that of pitting themselves against the overwhelming majority of the people of our country and of Namibia, is nothing but a death trap. Nothing will come of it except grief for the whole white population in South Africa. We offer our white compatriots the only way out of the crisis which will surely engulf them, and that in the near future. Renounce Botha and his racist policies. Join the antiracist forces in the struggle for a democratic South Africa.

To us, the oppressed black majority, this day of solidarity with our Namibian comrades must serve to strengthen our resolve to fight and defeat this racist regime. The only way in which we can pledge our active solidarity with our Namibian comrades is to intensify the struggle here at home. Let us strike with one first against the common enemy. Let us deny the apartheid war machinery in Namibia its traditional rear facilities. We must refuse to allow them to make our country their rear and the wells which produce their resources. Our task in this campaign is to reduce to the minimum anything they get from our labor. If we say we are against the war of occupation that the regime is fighting in Namibia, it means that we must do our best to stop it. Sabotage campaigns must be stepped up. Already the apartheid economy is in crisis. It is in shambles. What is left is for us to push it further down by crippling everything at our places of employment, whilst at the same time we intensify our strikes for better wages and humane working conditions. The time to act against apartheid occupation is now. So let us act in unity with our Namibian comrades. Act in unity and unite in action.

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CSO: 3400/470

# INKATHA SUPPORT OF VIGILANTES AGAINST UDF, COSATU CONTINUING

Johannesburg WORK IN PROGRESS in English No 43, Aug 86 pp 10-12

[Text] Inkatha claims commitment to policy of non-violence. But allegations of Inkatha-linked vigilante action against UDF and COSATU supporters in Natal continue. And there is evidence that senior Inkatha and KwaZulu officials are involved in the violent suppression of opposition. A resident from one of Natal's African townships reports.\*

Inkatha's claimed image of non-violence is in jeopardy as allegations of its involvement in vigilante action grow.

Inkatha president, Chief Gatsha Buthelezi, has flatly denied accusations levelled against Inkatha. But Inkatha central committee and KwaZulu Legislative Assembly members make no bones about their 'programme of action' which aims at making Inkatha the only functioning political organisation in Natal. Their message is clear. 'We are at war with the UDF, COSATU and the ANC'.

And Inkatha central committee member Thomas Shabalala, who claims to control Durban's 'impis', has said that he 'longs for the day when there will be open war between the UDF and Inkatha - it will prove who is who in the political battle'.

## Vigilantes Form Under 'Code 26'

Code 26 is an electoral district for the KwaZulu Legislative Assembly. It

incorporates townships to the North and West of Durban. The area is said to be the force behind the impis, and vigilante leaders associated with Inkatha boast about their achievements under 'Code 26'.

According to vigilante leaders, the decision to launch vigilante actions against UDF elements in Natal townships was taken at a meeting attended by Inkatha branch chairmen and KwaZulu councillors from Code 26. Certainly, much of the vigilante action

of the past year has taken place in townships within the area - Clermont, Ntuzuma, KwaMashu, Inanda and Hambanati.

When heavily-armed vigilante groups first moved into the streets of KwaMashu and Umlazi last August, the commercial media hailed them as 'Inkatha peace-keeping forces' quelling the unrest. But 'keeping the peace' soon turned into

\*At the request of the contributor, WIP editors have withheld his name.

midnight raids on homes of people identified as 'Inkatha enemies'.

In many cases, perpetrators of violence were identified by victims. Hundreds of affidavits and sworn statements were made to the Legal Resources Centre, Black Sash, and lawyers. But only a few arrests have been made - one ironically where a policeman was an accidental victim of an attack.

For the past 11 months, the war in these townships has been between UDF and Inkatha supporters. But recently COSATU has found itself in the firing line after the emergence of hostilities between it and Inkatha. These led to the formation of a rival union - the pro-free enterprise and anti-disinvestment United Workers Union of South Africa (UWUSA).

The case of ex-Metal and Allied Workers Union shop steward, Bheki Msomi, is typical of allegations to emerge from townships. In an affidavit he described how, at about midnight, a group of men, some carrying guns, arrived at his Umlazi home. The group included Winnington Sabelo, a KwaZulu Legislative Assembly and Inkatha central committee member. Having ransacked the house they 'forced me into a white econobus, punching and prodding me with an assegai. I was taken to a local hotel owned by another Inkatha man, where I was hit with sticks, knobkerries and being severely beaten'.

Msomi was then handed over to Umlazi police and held at the police station for two days. 'On the night of my release my home was petrol-bombed by attackers whom I positively identified. I was severely burnt and admitted to hospital with my younger brother who was shot in the head and paralysed' during the attack. The Msomi house was burnt to the ground, and everything inside was destroyed.

'During my stay in hospital I was recognised by a man who had been party to the attack. He behaved suspiciously and I asked for an early discharge from the hospital as I feared for my life'.

When a lawyer acting for Msomi attempted to lay a complaint against Sabelo at the Umlazi police station, he was allegedly told that Sabelo could not be charged because he was a senior member of Inkatha.

Lawyers acting for Msomi intend to bring a civil claim against Sabelo. But they are currently waiting for a decision from the attorney-general on whether to charge Sabelo with attempted murder and arson.

A number of legal actions concerning vigilante activity are pending in the Natal courts. In some, allegations of KwaZulu police collusion with vigilantes have been made. In Natal courts:

- \* two Inkatha youth brigade members and two KwaZulu policemen were charged with attacking the home of COSATU's regional secretary;

- \* an Inkatha Women's Brigade member was restrained by the Durban Supreme Court from threatening a UDF activist and his family, or damaging their property;

- \* a KwaMashu Inkatha leader was restrained by the supreme court from assaulting or abducting a widow whose husband had been killed in a vigilante attack in May;

- \* an Inkatha leader and councillor from Umlazi, Zithulele Ngcobo, faces a murder charge following the killing of an Umlazi Youth League member.

#### **SHABALALA'S PRIVATE ARMY**

In another court action, the Durban Supreme Court granted a temporary interdict restraining Thomas Mandla Shabalala, a prominent Inkatha member in Lindelani, from assaulting a couple in the area who support the UDF.

Thomas Shabalala is a KwaZulu Legislative Assembly and Inkatha central committee member. He has turned his 100 000-strong Lindelani shack community into the headquarters of widely-feared impi combatants. In an interview, he disclosed that the decision to form the



impis, whom he refers to as 'abavikeli' (protectors), was taken at a meeting of all Inkatha branch chairmen and KwaZulu councillors under Code 26. The aim was to 'stamp out the UDF-created unrest'.

Shabalala sees this plan of action as similar to the M-plan - Nelson Mandela's plan for liberated areas. But in this case, the aim is to secure Natal for Inkatha.

Vigilantes under his command and that of his chief lieutenant, Emmanuel 'Phondolwendlovu' Khanyile, receive R24 each per 'mission' - although it was not clear from the interview what these missions are.

Shabalala alone commands a personal army of 208, each paid R130 a month. This salary is raised from the R3 monthly contribution each household is forced to pay in the 9 000 shack settlement.

Apart from this, Shabalala says that because Lindelani is 'Inkatha territory', residents have to pay an Inkatha membership subscription of R10. Those unable to afford this pay in kind - often through labour. Employed workers have to pay an additional UWUSA membership fee of R10. In Shabalala's words, 'Lindelani is no home for UDF and COSATU, as townships like Chesterville, Lamontville, Clermont and others are no home for Inkatha'.

At the March National Education Crisis Conference (NECC) held in Durban, two busloads of armed men attacked conference delegates. PUTCO disclosed that the two buses transporting armed men to the NECC meeting were hired out to Inkatha members. And one of the minibuses accompanying the armed attackers was traced to the KwaZulu Department of Works, headed by Inkatha deputy general-secretary Simon Gumede.

At the time, Buthelezi denied Inkatha involvement in the attack, and asked: 'Why should we be blamed for attacks by people wearing Inkatha uniform?' He went on to accuse the NECC of being 'in cahoots with the ANC'.

But surprisingly, Shabalala confirmed that his supporters did go to the

conference in two buses to 'attend as other black parents concerned with the education of their children'.

#### THE STRUGGLE FOR NATAL

Buthelezi is caught in a dilemma. If he publicly condones attacks by Inkatha members, he will compromise Inkatha's much-publicised policy of 'non-violence'. But if he publicly reprimands senior colleagues involved in vigilante activities he may lose scores of militant supporters.

COSATU, despite having suffered as a result of political hostilities, has thus far avoided an open battle. It was only recently that the Natal COSATU region called on its members to form defence units in factories and townships against attacks by what it called 'state-sponsored Inkatha functionaries'. It then released a dossier of 'incidents of violence, threats of violence and assaults on unionists in Natal. This contained affidavits and sworn statements which implicated 'senior Inkatha functionaries, KwaZulu and South African police, and three KwaZulu cabinet members'.

Attempts to obtain Inkatha's response to these allegations have been unsuccessful. A Durban Sunday newspaper contacted the cabinet ministers named in the dossier for comment. But lawyers representing Inkatha threatened to bring an interdict against the newspaper to stop it publishing the contents of the dossier. Likewise, attempts by a Johannesburg-based weekly newspaper to obtain Inkatha comment drew a blank.

Attacks and counter-attacks in the struggle for the political soul of Natal continue unabated. Vigilante activity has spread to distant townships in Pietermaritzburg, Newcastle and Empangeni. As the battle-lines are drawn, not only Inkatha's credibility in the urban areas, but its claimed policy of non-violence, are at stake.

/9274

CSO: 3400/445

# INKATHA-COSATU RIVALRY IN NATAL TOWNSHIPS DESCRIBED

Johannesburg WORK IN PROGRESS in English No 43, Aug 86 pp 18-24

[Text]

An alliance between COSATU and Inkatha in Natal is impossible. This is because of Inkatha's structure, and its hostility to working-class issues and politics. But, argues MIKE MORRIS, the May Day rallies show that COSATU and Inkatha are the only two serious forces in Natal's townships.

For serious trade unionists in Natal the threat that Inkatha and UWUSA pose is one of the most pressing items on the agenda. If there was an initial attempt to dismiss the issue as irrelevant, this is no longer the case in a number of important trade union and political circles.

There are three main reasons for this:

- \* The Kings Park May Day rally demonstrated that Inkatha has mass appeal in Natal including serious working-class support;
- \* the daily struggles Natal COSATU unions are engaged in to hold their members in factories;
- \* Inkatha members' violent onslaught on leading UDF and COSATU members in the African townships, to the extent that the UDF organisational presence in most African townships in Natal is now fairly minimal.

These events may have produced a more sober perspective on Inkatha's ability to disrupt trade union and alternative political

organisation in Natal. But they have not necessarily been accompanied by a sound and critical analysis of what this development represents. There is enormous pressure to import the same tactics and strategies being used in other parts of the country and to deny the specific regional characteristics of Natal. This makes it extremely difficult for those organisations opposed to Inkatha to develop the appropriate tactics and strategy for Natal.

This denial of the regional specificity of Natal is an understandable, but nonetheless highly inadequate, reaction to capital and Inkatha's attempt to assert the 'uniqueness' of Natal and hence the necessity for what they have termed 'the KwaNatal option'.

Phillip Van Niekerk's article on Inkatha and May Day in Durban (WIP 42) is interesting precisely because he both acknowledges the regional specificity of Natal and the necessity of coming to terms with the peculiar political place that Inkatha occupies within this region. The main thrust of his argument - that May Day in Durban demonstrated

serious support for Inkatha amongst Zulu workers - is undoubtedly correct. Between 50 000 and 70 000 people attended the Kings Park rally whilst COSATU's Curries Fountain rally only attracted 8 000-12 000. Van Niekerk, however, misses some of the important complexities of this phenomenon and hence is not able to suggest the appropriate strategy and tactics for COSATU in the region.

### THE MAY DAY RALLIES

Van Niekerk argues that once COSATU entered Inkatha's terrain (ie the political arena) Inkatha had no choice but to take the battle to COSATU by entering into its own terrain (ie trade unionism). Hence the strategic decision to set up UWUSA in order to undermine COSATU in the factories and the consequent tactical choice of May Day to ostensibly launch UWUSA.

In fact the main point of the Kings Park rally was to embarrass COSATU politically by demonstrating Inkatha's support amongst the African urban and rural community. Based simply on the relative attendance numbers, this political objective was in the main achieved.

But was it strategically wise of Inkatha to launch UWUSA via May Day to achieve this political aim? And if not, what are the implications for trade union and political struggles in this region? How can they gain from what I will suggest is a strategic error on Inkatha's part?

Notwithstanding the clear support Buthelezi demonstrated by the Kings Park rally he made a serious mistake both in the short and the long term. His cleverest move would have been to remain solely on the political terrain with which he was already familiar, and fairly well grounded in - Inkatha's ethnic appeals to 'Zulu nationality' and a conservative 'bourgeois democratic'

solution. By moving into the trade union terrain he ironically decreased the potential short-term support he could have demonstrated in his Kings Park rally. And in the long term he also laid his organisation open to being shown to be incompetent in this new and unfamiliar terrain of factory-based struggles.

This difficult issue of Zulu cultural and ethnic identity which so strikingly pervades Natal, and is the reactionary basis of Buthelezi's power base in Inkatha, will not necessarily carry the same weight as factory-based struggles over working and service conditions.

Ironically Buthelezi could even have increased the crowd attending the Kings Park rally if it had not been linked to an alternative trade union organisation. Zulu workers are loyal to their Zulu ethnicity - an issue that is very poorly understood - but they are also loyal to the trade unions that have struggled so hard to alter conditions on the factory floor. Many workers who might well have attended a rally by virtue of their membership of Inkatha, or political agreement with Buthelezi, or ethnic identification, or tribal loyalty, were faced with having to support a rival union by going to Kings Park because the rally was publicised as the launch of UWUSA. As a result many of them chose rather to stay away precisely because they realised that, notwithstanding their political/ cultural/ethnic sentiments, attending also meant supporting a rival union in direct competition with their own union.

In the build-up to May Day one of the strongest arguments that organisers and shop stewards in COSATU were able to use in the clashes amongst union members in their factories was that going to the Kings Park rally was not in fact attending an Inkatha rally but a rival union meeting. In a number of factories the workers agreed, in order to avoid further divisive conflict over the issue, that union members who wanted to demonstrate their support for Inkatha should rather just stay at home. In many

cases this is what occurred, and union members attended neither May Day rally.

Some staunch Inkatha supporters suprisingly attended the Curries Fountain COSATU rally precisely because, as one worker who is also a member of the Kwa Mashu amabutho put it:

'The pamphlet calling us to Kings Park was signed by another union. We don't know that union. We know Inkatha and we know our own union, but we don't know this other union and we won't support another union except our own'.

Whilst the Kings Park rally attracted a clear cross-section of the Zulu speaking-population in class and occupational terms, including a fairly large contingent of rural youth, Inkatha's appeal to the African urban youth is limited. Its recent attempt to call a 16 June rally around the issue of education, with Buthelezi as the main speaker, attracted, according to newspaper reports, only between 3 000 and 6 000.

On the other hand, the COSATU May Day rally at Curries Fountain was much more solidly working-class in its composition. This in itself is very interesting. The rally was a joint affair between COSATU and the UDF and the latter was formally given equal, and indeed in practice more than equal, status in the organisation of the event and in access to the platform. Yet, despite this, the crowd was overwhelmingly composed of organised workers from the COSATU unions.

So, under extremely favourable conditions, the UDF/Natal Indian Congress did not seem able to pull in a large number of additional, non-union supporters. The Durban Labour Monitoring Group estimated the composition of the crowd to be about 80% organised workers from COSATU unions whilst the majority of the remaining 20% were black students and unemployed youth.

The inability of the NIC to attract Indian participants to the rally was very marked. This was all the more so since there were a large number of Indian workers who were not at work on

that day, primarily due to the Garment Workers Union negotiating the day off through the regional industrial council.

There are some obvious questions that spring to mind when faced with the logic of this numbers exercise: does taking account of the regional specificity of Natal mean that COSATU should do an about face and form a tactical alliance with Inkatha? Should Inkatha not be accorded the same status as other nationalist movements, and therefore should COSATU not be willing to work with Inkatha, given the fact that it has demonstrated its greater appeal in this region?

These are important questions that have to be seriously asked and answered. Otherwise one is at an organisational loss to provide workers who are Inkatha members with the answers to questions which, even if they are not openly expressing, they are certainly thinking about.

Answers also depend on the organisational and class perspective from which the questions are posed. A working-class organisation like COSATU, which is committed to working-class leadership, working-class democratic structures for decision-making, and has shown clear tendencies towards socialist solutions, will have a different perspective from a more nationalist organisation dominated by the petty bourgeoisie.

#### A TACTICAL ALLIANCE WITH INKATHA?

Without going into too much detail on Inkatha, there are critical characteristics of this organisation which make it extremely problematic for COSATU to attempt to strike up a long-term strategical alliance with it.

There is an important history in Natal between Inkatha and COSATU's predecessor (the Federation of South African Trade Unions - FOSATU) which has great bearing on this issue. FOSATU was able to

coexist uneasily with Inkatha whilst it built up its trade union base in Natal. But this was increasingly breaking down as FOSATU attempted to take a more political lead on community and national issues in the region.

For example, FOSATU made a number of attempts to gain Inkatha's co-operation over the consumer boycott in mid-1985 in order to avoid violence and ensure the maximum grassroots pressure on the state. These bore no fruit: Inkatha never demonstrated a public willingness to back the consumer boycott and mobilise its members to take any overt supportive action on the issue. Inkatha's attitude vacillated between passive inactivity and active hostility. By the latter months of 1985 both FOSATU and Inkatha were heading for a showdown of some sorts - the only issue was when and on whose tactical ground this would occur.

So, although it is debatable as to whether the COSATU leadership chose the right time, terrain, or style in allowing this conflict to surface, it is not very surprising that it broke out into the open so bitterly. For Inkatha displays characteristics that make it opposed to working-class practices. Although it is part and parcel of a capitalist society, it displays some of the characteristics of a pre-capitalist ethnic or nationalist movement where decision-making structures are based on ethnically-ascribed power relations.

The most common form that this takes is the tribal power ascribed to representatives of the royal Zulu line (known as the 'mtwanas') who, by virtue of this status, are now granted enormous power and act as the repository of wisdom.

The source of this power does not just fall onto any member of the royal Zulu line but is contested by all those who accept it as the legitimate form of exercising power. This results in the adoption and spread of practices of personalised power in decision making which spreads far beyond rural tribal structures into all forms of social and political organisation.

## INKATHA'S POLITICAL STYLE

By all accounts this is a style that permeates Inkatha - whether one is talking about the top of the organisation where power is really concentrated or the smallest Inkatha leader in any particular community. It is what makes it possible for workers (both pro- and anti-Inkatha) to speak, with some material substance, of Buthelezi as synonymous with the organisation itself. It is what also grants such enormous ideological legitimacy to local Inkatha leaders, smaller self-styled 'mtwanas', who rule in particular areas like latterday Chinese warlords.

Of course, the material basis of the power of the local Inkatha leadership is much more complex and derived from the varied functions they perform in the communities they preside over give and protection to.

But the important point is that the manner in which power is located within the structures of Inkatha is incompatible with the manner in which the larger COSATU unions attempt to distribute power. That is why the first task and potential conflict any serious trade unionist often faces in a newly-recruited Natal factory is tactfully to break the practice of nominating one of the 'mtwanas' in the factory as the spokesperson for the workers. Instead, this practice is replaced with democratically-elected shop steward committees, report backs, strict mandates etc.

This is not simply a matter of degrees of democracy, or the inadequate utilisation of democratic structures and procedures - it is that these structures are of another character altogether. There seems to be no practice of direct democracy within Inkatha. This makes it very difficult for an organisation like COSATU to mesh with Inkatha in any mobilising campaign.

## CONFLICT BETWEEN COSATU AND INKATHA

There are other more obvious, and perhaps even more important, reasons why COSATU could not easily fit into an alliance with Inkatha. The latter's hitherto unsympathetic attitude to working class-issues and working-class politics is shown by:

- \* Buthelezi's condemnation of the SASOL stayaway and his constant references to unions being acceptable if they stick to factory issues only;
- \* its easy recourse to violence to resolve differences of line rather than democratic argument (eg the National Union of Mineworkers' claim that UWUSA broke up the NUM strike at Hlobane);
- \* its lack of structures of direct democracy (the method of appointing UWUSA office bearers);
- \* its refusal thus far to mobilise its members behind a grassroots campaign (the Natal consumer boycott);
- \* its one-sided reliance on the public projected image of Buthelezi and diplomatic manoeuvres (the absence of any grassroots political style behind the KwaNatal indaba);
- \* its highly-sympathetic attitude to capitalism, strong links with monopoly capital and rabidly anti-socialist perspective.

These political practices are all highly problematic for COSATU. As long as they prevail within Inkatha it is extremely unlikely that any tactical alliances can be struck between the organisations.

Furthermore UWUSA, as a rival union whose sole reason for existence is to take away COSATU members, exacerbates the tension. For it makes anything other than active hostility the only appropriate response at the moment.

What then are the long-term implications of a severe conflict between COSATU and Inkatha, and particularly what effects will UWUSA have on COSATU organisation in the factories?

## SOUND FACTORY ORGANISATION

The fundamental point is that struggles in the factories over economic issues have a dynamic of their own and take place differently from political/cultural issues. The latter may have disruptive effects on factory-based struggles. But they are unlikely to displace them as the principal issues around which workers unite and mobilise as long as there is sound organisation, and as long as union organisers and shop stewards spend a large amount of their time servicing these workers. UWUSA is therefore unlikely to be able to gain majority membership in, and hence take, many well-organised factories from COSATU unions.

The most likely result in these factories is that a small but vociferous pocket of workers will go over to UWUSA and play a disruptive role similar to the South African Allied Workers Union (SAAWU) in Natal a few years back. Organisers in COSATU unions dealing with the effects of such small opposition groupings will find themselves having to spend an inordinate amount of time overcoming splits and divisions, repairing the effects of small

mistakes, responding to vociferous criticism, and realistically countering highly inflated promises.

Badly organised, or unorganised factories where the benefits of belonging to a COSATU union are not readily apparent to the workers will more than likely go over to UWUSA since no alternative terrain of factory-based struggles will have been established. This has already happened to a number of COSATU unions in Natal.

Inkatha will then face the same problem that SAAWU in Natal faced in previous years. It is one thing recruiting unorganised or poorly-organised workers on the basis of highly-inflated promises, but quite another thing to deliver the goods once they have all joined. Inkatha will soon find that running a trade union in even a partially successful manner requires far more than political rhetoric.

Notwithstanding the difference in political position, Inkatha will in this respect be in the same position as the small general unions affiliated to the UDF found themselves in over the past few years.

#### DEFINING THE BATTLEGROUND

A lot depends on how the COSATU unions handle the issue of Inkatha/UWUSA in their factories. It is a fundamental error, and grist to Buthelezi's mill, to fight Inkatha on its own terms. Derogatory references to Zulu ethnicity, to KwaZulu as just another bantustan, personalised attacks on Buthelezi, etc, are counterproductive. If COSATU unions forget what brought them their strength and shift the terrain of struggle away from the correct handling of bread and butter issues in the factories, and principles of union organisation, then they will undoubtedly lose. For then they will be engaging Inkatha on its strong points - ie what attracts ordinary Zulu workers to the organisation in the first place - rather than exploiting the strategic mistake Inkatha made in trying to take the struggle to COSATU on the terrain of union-based issues.

Inkatha and UWUSA are weakest on factory-based issues, on factory organisation, on bread and butter mobilisation, on factory and union-based democratic structures, and on dealing with contradictions in a democratic manner. This is borne out by the undemocratic top-down manner in which

UWUSA was formed, and by the fact that its office-bearers are mostly well-known black capitalists and personnel managers.

As long as UWUSA is unable to handle these issues in a manner familiar to well-organised COSATU members, it is unlikely to make major inroads into members' union affiliation, irrespective of political sympathies. But this depends on the COSATU unions constantly focusing on these issues themselves, using democratic methods (as opposed to violent coercion) to win over workers attracted to UWUSA, and not allowing themselves to be diverted by the political red herrings that Buthelezi constantly throws at them.

#### METHODS OF STRUGGLE

The question of method is important.

There are basically two methods to defend a factory against UWUSA:

- \* violence against those who join UWUSA or try to organise for UWUSA, thereby coercing any with doubts to remain COSATU members, or

- \* democratically working through the points at issue in order to maintain the unity of the members in the factory.

The deceptively easiest method to use is coercion. In the current circumstances it seems natural and fair since very often Inkatha members attempt to use coercion or the implied threat of coercion in order to make inroads or drive out opposition. Notwithstanding its seductive allure, coercion is in principle a bad method of keeping members. It advances the struggle for a clearer ideological line not one inch; and utilising the methods of ones opposition in this case merely reinforces reactionary practices, thereby undercutting the unions' case for democratic worker practices.

If, for example, COSATU unions try to physically force UWUSA members out of their factories, this gives all the moral justification in the world for

Inkatha to pursue its practice of driving UDF and COSATU leaders out of the black townships they control. Coercion is also impractical when one's opponents are able either to legally counteract attempts at coercion or use violence more effectively than oneself.

Furthermore, as history should have taught us by now, once the practice of using violence to resolve essentially organisational problems is entrenched, it is a small step to use coercion to resolve other ideological differences. Invariably when this occurs, it is the left and the working-class organisations that are at the receiving end.

Although COSATU unions have not been sufficiently consistent in ensuring that the correct methods of fighting UWUSA have prevailed in their factories, there are a number of important successful counter-examples to coercion. Perhaps one of the most impressive is that of SA Tioxide which is one of the few COSATU factories in the Umbogintwini area - an area well known for its recent violent crushing of any grouping outside of the ambit of Zulu ethnic politics. UWUSA has made no headway here despite the most favourable of circumstances.

This is primarily because the COSATU union's shop stewards, apart from concentrating on factory issues, have also held weekly general meetings at work to discuss critically and clarify their union's policies, COSATU's policies and Inkatha's policies. This practice has forced UWUSA members to argue their case rather than just making emotively ethnic appeals (calls for 'a Zulu union') and they have been unable to convince workers that UWUSA is a viable alternative.

## DEBATING CLASS ISSUES

Politically, UWUSA/Inkatha can

profitably be tackled on their overt and vociferous support for capitalism and free enterprise as the solution for the working class in this country. By coming out so strongly on this issue, and by handing over the leadership of UWUSA to black capitalists, Inkatha has itself raised the possibility for other forces to question and criticise its political line without impinging on the ethnic sensibilities of its members. This also raises the opportunity for other alternative to the one put forward by Inkatha.

Inkatha, whether it intended to or not, has opened up the possibility of a serious debate on class issues. The ground has been laid for other organisational forces, particularly the COSATU unions, to take advantage of this opportunity and put forward alternative political lines, strategies and social systems.

In doing this, COSATU could have an important impact on township organisation in Natal. Of all the social forces in Natal's black townships, only two currently have a major organisational presence: Inkatha, which dominates; and COSATU, whose influence is spreading to other social groupings seeking an alternative to Inkatha.

COSATU could profitably take some initiative in the townships to forge a class alliance based on a socialist line, encouraging the adoption of working-class ideological and organisational principles. But this requires it to avoid a policy of ideologically and politically following behind other organisations.

Instead, if COSATU aggressively pursues an independent socialist line, the possibility exists for it to push popular consciousness and practices in Natal beyond the parameters set by the KwaNatal option, and even purely national-democratic solutions, towards an open discussion on the merits of socialism.



SOUTH AFRICA

RADIO FREEDOM MARKS 3D ANNIVERSARY OF UDF

EA221235 Addis Ababa Radio Freedom in English to South Africa 1930 GMT  
21 Aug 86

[Commentary within series entitled: "Three Years of United Action"]

[Text] Compatriots, it is now 3 years since more than 10,000 of our people gathered at (Mitchells Plain) in Cape Town to form what friends and foes alike have since acknowledge as the most powerful antigovernment movement that has ever existed in South Africa. In the words of our president, Comrade Oliver Tambo the formation of the United Democratic Front [UDF] 3 years ago was a historic achievement in our peoples' efforts to unite in the broadest possible front for the struggle against the inhuman apartheid system. The formation of the UDF, according to the president, was a product of our peoples' determination to be their own liberators. This was the spirit, the will, and the determination that motivated our people 3 years ago and inspired 10,000 patriots to gather at (Mitchells Plain) to form this powerful democratic front: The determination to be our own liberators, the will to be free no matter what the enemy does.

Today, 3 years later, despite the viciousness of the regime in its desperate attempts to crush the front, the spirit that existed 3 years ago has never been crushed. It will never be crushed. Instead, it has never been stronger. The UDF today marks its third anniversary at a time when thousands of its leaders and activists are right in apartheid detention cells, in imprisonment, or have just gone missing. The scale of repression against the UDF by the apartheid regime has never been witnessed before. Yet, this also is a movement when the strength of the front continues to grow, and its tentacles have not only covered urbanized townships, but its presence is now being felt strongly in the rural areas and Bantustans, too. The massive detention of leaders has not stopped the UDF from growing, nor helped the Botha regime any bit to crush our organization.

Instead, day by day, our people are increasingly getting organized into what the President Comrade Oliver Tambo described as a conquering force. Today, only 3 years since the UDF was formed, the regime has been driven back in confusion and desperation to a situation where now, it has to rule our country through a permanent state of emergency. The regime has now

completely lost the strategic initiative and control of events in the country. That initiative is now in our hands, the people. Its draconian state of emergency, through which it has amassed sweeping powers to itself, was clearly an attempt to reassert its authority and seize back the initiative. But 3 months now into the state of emergency, it is clear that it has failed in that purpose. Our people still continue to defy even the draconian state of emergency. What is clearly emerging day by day is that the regime has no policy, and can have no policy, either to save the apartheid system from sinking deeper into crisis or to extricate this system from that crisis. All it can do now is to react to events from day to day without any consistent plan and without any overall objective except to keep itself in power for as long as possible.

It can no longer guarantee a bright future even for the white social forces on which its evil system of apartheid and white domination rest. The reality in fact is that the white power bloc on its own has never been as divided as it is today. Conflict, indecision, and fear of our revolutionary struggle has extended to all levels of white minority rule, including even Botha's own cabinet.

This situation, countrymen, has not emerged all on its own. As we know, the regime is now unable to rule in the same old way because of our determination to render ourselves ungovernable, and the evil apartheid system unworkable. The country, today, only 3 years since the UDF was formed, has become ungovernable because of our sacrifices and unity in action. We have, through action, forced the racists into this position where they are now on the defensive all along the line, and this has been through our consistent, united struggle throughout the country.

Indeed, for us to maintain the offensive and to rout the racists from their defensive positions and seize power, we must intensify our actions in unity. We must strengthen our unity in action. We must solidify the unity of all democratic forces. We are now faced with another challenge put before us by the apartheid regime in its attempt to drive disunity within our ranks: the challenge of the so-called National Council that the apartheid regime is planning to create with the collaboration of its stooges and bootlickers. This, countrymen, is yet another moment when the experience of 3 years ago which united us in struggle immediately after the formation of the UDF -- that is the struggle against the tricameral parliament elections for our colored and Indian compatriots -- must now be recalled. We must reform to participate in that dummy body that Botha is trying to throw as a bone of contention and division within our midst. In this (?instance), whether Botha, with the collaboration of a few treacherous puppets, tried to force toy telephone down our throats he must not be let to succeed. [sentence as heard]. It must not even be let to take off the ground.

Certainly, he cannot succeed to crush the community councils and other local organs of apartheid rule, and allow the creation of that useless body whose aim is to perpetuate our enslavement, too. It must be prevented from being formed at all by making sure that Botha fails to find even a

single credible traitor who dares risk participating into it. Our 3 years of experience to unite in action against the enemy's maneuvers to divide us, and our experience to crush all its organs of apartheid rule, must now be brought back into action against this toy telephone. At the same time, this third anniversary of our UDF must serve to strengthen our mass organs of popular rule, which have emerged in the place of the collapsed stooge councils of the apartheid regime. We are all aware countrymen that the enemy has failed to crush the UDF it has to crush our entire oppressed nations.

It has to crush all these more than 800 mass organizations that are united under the umbrella of the UDF. The regime has failed to crush the UDF because these mass organizations continue to grow and be stronger by the day. Let us work hard to strengthen them even further. And in particular, on this third anniversary, let us take the opportunity to strengthen the democratic organizations amongst our white compatriots. For it is these organizations that will finally help to win more and more of our white compatriots into the democratic stream and the fight to crush apartheid and racism in our country. It is these democratic organizations which will help to bring our white compatriots away from the white laager into the democratic front. It is these democratic organizations within our white compatriots which must organize our white compatriots to realize that white minority rule is doomed. The future belongs to the majority, both black and white, and that Botha can no longer secure them a bright future. The future belongs to the united democratic forces. Forward to a nonracial democratic South Africa. Long live the UDF.

/12624

CSO: 3400/470

SOUTH AFRICA

SOWETAN EDITOR PROJECTS CONTINUED POLICE PRESENCE AT SCHOOLS

MB211643 London BBC World Service in English 1515 GMT 21 Aug 86

[From the "Focus on Africa" program]

[Text] The job of journalists in South Africa is a little easier today following a high court ruling yesterday and the government's concession that it exceeded its authority in imposing certain reporting restrictions under the June state of emergency. For the past 2 months journalists have been unable to report incidents or unrest, the activities of security forces and the presence of security forces on school premises in black townships unless approved by a government Bureau of Information. Now they can though they still have to be careful. Will Day talked to Thomas Mazwai, news editor of the SOWETAN, and asked him first about the security forces and the schools. Did he have any examples of trouble?

[Begin recording] [Mazwai] Some 4 weeks ago I had a telephone call from a teacher who refused to give her name. She refused to give the school she is teaching at, but she was crying into the telephone. She was asking me what can she do to leave the country and go and join any banned organization so that she could get some military training. What is happening to them at school, what is happening between the students and the soldiers, she can't stand it any longer. Now, this is what has been happening in schools.

[Day] Why do you think the government has been particularly interested in putting security forces into schools?

[Mazwai] I think that they have been putting the security forces into schools because the students, the youths have been the one section of the community that has been very militant and the government believes that everything is plotted in schools and as a result they are now trying to tighten their control over schools, and this is why they are doing all this.

[Day] What good does it do to have soldiers and policemen in a school?

[Mazwai] It has got an intimidatory effect on the pupils and that is what it's worth. In any case when that intimidatory effect lessened, then there were confrontations, serious confrontations between the students and the security forces.

[Day] So, have there been violent confrontations between the two?

[Mazwai] Yes, I mean, yes. I mean, it goes without saying although one cannot say so what has been happening in the past. I can report what is now happening -- but what has happened in the past one has got to tread very carefully. But the confrontations between the students and the soldiers or the police have been very frightening.

[Day] And are soldiers and policemen still in the schools?

[Mazwai] Yes, they are still in the schools.

[Day] And does this mean that many students are staying away or are classes continuing as normal?

[Mazwai] Well, the 60,000 plus, minus students at the Soweto secondary and high schools have been on a class boycott since yesterday in protest against the presence of schools, and it's about 80 percent successful which just shows you that things are real bad.

[Day] And is there any sign that the government will take these soldiers away or do you think that their presence is long-term?

[Mazwai] I think that the situation in South Africa has reached a stage where the government believes that if at all it gives in an inch, however, diplomatically, it is giving into anarchy, and I suspect that this misguided attitude by the government means that they intend staying on in schools for much more longer than is actually prudent.  
[end recording]

/12624

CSO: 3400/470

## SOUTH AFRICA

### BRIEFS

ANC OFFICIAL ON OFFENSIVE--The director of international affairs for the African National Congress of South Africa, ANC, Comrade Mfanafuti Makatini, says the ANC has (?trebled) its efforts to liberate Azania and is now in control of two (?huge) townships in the eastern Cape. Comrade Makatini told the ZBC that if the international community would respond to the imposition of comprehensive mandatory sanctions against the Pretoria regime, the regime would collapse sooner. Comrade Makatini said the momentum for sanctions will grow this year and weaken the regime faster. He also disclosed that the masses of South Africa have launched a nationwide offensive against the regime to make the country ungovernable and the system unworkable. He said they have targeted black councillors and forced them to resign, and the regime's structures have been replaced by people's committees and courts. [Text] [Harare Domestic Service in English 1115 GMT 24 Aug 86 MB]/12624

BOPHUTHATSWANA FINANCIAL PROBLEMS DENIED--Mmbatho, 26 Aug, SAPA--Rumors which have been circulating in Bophuthatswana and causing near panic among Bophuthatswana public servants that the Standard Bank refused to accept their salary cheques, were quashed by the government in Mmbatho today. Since last Friday, there were rumors that cheques for some government departments were held back by the finance department because of a lack of government funds. Interviewed today, Bophuthatswana's state affairs minister, Mr Rowan Cronje, confirmed the rumors but denied that there was no money. He said the cheques could have been held back because of some administrative procedures in the Finance Ministry. According to the rumors, government cheques were bouncing and the bank could not pay them out because of a government overdraft of more than R300 million. When parliament opened in May this year, MPS complained bitterly about the alleged misappropriation of funds in Bophuthatswana, but the finance minister, Mr Lesley Young, denied the allegation. [Text] [Johannesburg SAPA in English 2115 GMT 26 Aug 86 MB]/12624

ANC OFFICIAL ON EXPELLING OFFICES--The African National Congress of South Africa's director of publicity and information, Thabo Mbeki, has said that it would not be in the interests of southern African states to expell the ANC from their countries because of pressures being applied against them by apartheid Pretoria. Speaking in Television Zambia interests program, Mr Mbeki said should any country in the region close any ANC offices, it would be a signal to the racist regime that its pressures and its labors were working. Mr Mbeki said (?forcing) the ANC to close its offices in

South Africa's neighboring states would not make those countries safe from South African attacks as the Pretoria regime simply follows its repressive interests in these countries. Mbeki said as far as the armed struggle is concerned sanctions were supplementary to the struggle because [words indistinct] damage in terms of infrastructure and human lives was done. [Text] [Lusaka Domestic Service in English 0600 GMT 25 Aug 86 MB] /12624

BLACK EMPLOYMENT STATISTICS--House of Assembly, 26 Aug, SAPA--At least 80 percent of South African blacks aged between 18 and 26 had never had permanent employment, Mr Albert Nothnagel (NP [National Party] Innesdal) said today. Speaking in the second reading debate of the temporary removal of restriction on economic activity bill, he said this powder-keg in the economy should be recognized. The bill being introduced was a sign of a new era in which blacks who had been under-educated would be given the opportunity of getting a job. Replying to Mr Andrew Savage (PFP [Progressive Federal Party] Walmer) he said it was true the civil service provide secure employment to many whites but a new era had arisen in which private initiative needed to be stimulated. While it was also true that black living standards had improved in relation to whites, there was still considerable poverty among the masses of unemployed black people. To ensure minimum unemployment, interaction was needed between the policies of privatization and deregulation because in the short term they would be counterproductive. Deregulation would, in the short term, create jobs through the development of the informal sector while one of the first steps following privatization of the public sector enterprises, would be staff cuts. [Text] [Johannesburg SAPA in English 1628 GMT 26 Aug 86 MB] /12624

CSO: 3400/470

DPSC MEMBER COMMENTS ON RELEASE OF DETAINEES LIST

MB200928 London BBC World Service in English 0709 GMT 20 Aug 86

[Text] The publication by the South African Government of a list of people detained under the emergency has provoked charges that the real numbers are much higher. The government released the names of only those people detained for 30 days, and they were over 8,500.

Max Coleman, a member of the Detainees' Parents Support Committee [DPSC], told Tito Gomes that the government was revealing the minimum information required by the law.

[Begin Recording] [Coleman] This actually relates specifically to the requirements of the Public Safety Act, which says that if detainees have been held for longer than 30 days under the state of emergency, then their names must be tabled in parliament. Now, parliament resumed and one of the first things that was done by the minister of law and order was to table the names of 8,500 detainees. These people are presumably detainees who have been held for longer than 30 days.

[Gomes] Are you saying this is in any sense at all an optimistic sign, that perhaps it could be a prelude to the release of more detainees?

[Coleman] No, I would not say that at all. I don't think it's in any way related to that possibility. In fact, the indications are that detentions are continuing and that it is the intention of the government to maintain the state of emergency for as long as it sees fit.

[Gomes] It can't be seen as in any sense at all a barometer of some kind of debate, perhaps, going on within the government leadership?

[Coleman] I myself don't see it that way. I simply see it as a response to a specific statutory requirement of the Public Safety Act that these names shall be published and, in fact, it has been stated that on a weekly basis all names will be published. Now, the names which will be published on a weekly basis will be those who reach this 30-day period, not those who will have been detained during the course of that week.

[Gomes] It does seem from what you are saying as though the government is abiding by the letter of the law. Do you think that the law is perhaps



going to give you a way of securing the release of more detainees?  
There have, of course, been judgements that have freed detainees already.

[Coleman] Well, that's correct. I don't think the intention of the government is to release detainees because ... [changes thought] other than those that they wish to. I think where detainees have been released by the courts, it has been as a result of perhaps loose wording.

[Gomes] How much of a shock do you think this is going to be within the white community, that the government has now confirmed that this number of people have been detained and are still in detention?

[Coleman] Well, I think it will certainly bring the truth home to the public and, in that sense, this publishing of the list is to be welcomed. I think one now realizes just the extent to which political opponents are being neutralized by means of detention. [end recording]

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CSO: 3400/469

SOUTH AFRICA

RSA HERITAGE BEING SOLD TO FOREIGNERS

MB221757 Johannesburg SAPA in English 1742 GMT 22 Aug 86

[Text] House of Assembly, 22 Aug, SAPA--The government was selling South Africa's heritage by allowing foreigners to buy South African farms with the financial rand, the PFP's [Progressive Federal Party] chief finance spokesman, Mr Harry Schwarz, said in the debate calling for the cabinet's resignation today. He asked if it was right that people overseas should be able to buy farms with the financial rand standing at 18 to 19 cents. "No South African can compete with this," he said. "The government is selling our heritage because it has a feeling of desperation."

Referring to the economy, Mr Schwarz said the reason for the present uncertainty was that businessmen did not know where the government was leading them. "They want to see the constitutional blueprint, they want to see the end of the road."

The restoration of confidence was vital to South Africa's future, he said. The government should do three things:

- State its ultimate constitutional objectives;
- Announce an economic plan, preferably a four-year plan to 1990;
- Hand over the handling of the economy to a triumvirate of skilled people from the private and public sectors.

"We have to take powers out of the hands of the politicians and into the hands of those best qualified to run the economy," he said. The country had to reassess its priorities, look at fiscal reform, do away with bureaucracy, and look at monetary policy in the light of previous failures.

"There are grounds for optimism if the economy is put into able hands," he said, but added that the economic problems could not be solved unless the political problem was also solved.

Responding to government speakers in the debate, Mr schwarz said it had been a "remarkable" debate in that ministers had given the impression that

times were normal and that they should be praised. No minister had told the assembly whether the country was adequately prepared for sanctions. "No, they are taking refuge behind the problems and asking us to come and help them. They are not prepared to say who is largely responsible for the problems." The problems of the country, such as lack of confidence, a debased currency, the debt standstill had been ignored by government speakers. "They ignored the problems and pretended that everything is rosy."

When Mr Barend du Plessis had told the National Party's Federal Congress that the climate of unrest was not conducive to economic growth he had made "the understatement of the century." "Any intelligent person will know that with a black population increase of 2.8 percent a year and growth running at 0.7 percent, the government is sitting on a timebomb. The government has been led astray by false prophets and it has got the economy into a mess," Mr schwarz said.

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CSO: 3400/469

PRP MP SAYS UNIVERSITY QUOTAS DO NO GOOD

MB220906 Johannesburg SAPA in English 0858 GMT 22 Aug 86

[Text] House of Assembly, 22 Aug, SAPA--The section of the Universities Act dealing with the Quota system was what determined the racial character of universities, and should be scrapped, Mr Roger Burrows (PFP [Progressive Federal Party] Pinetown) said today.

Speaking in second reading debate on the Universities Amendment Bill, he said the minister of national education, Mr F.W. de Klerk, had told the other houses of parliament that the quota system was not enforced and that universities in fact made their own decisions on the racial composition of their student bodies.

"The minister is saying it's there, but no-one's using it. Can a minister of education and culture repeal the quota legislation, or does he have to know it is there even though he is not going to use it?"

The minister was "doing no-one any good" by keeping it on the statute book.

Mr Burrows also said educational institutions should be removed from the ambit of the group Areas Act.

The minister and the ministers of education and culture should look at the question of university residences in a "most sympathetic light."

The PFP believed universities were for the benefit of all South Africans.

State funding of universities was "totally inadequate", and it was a matter of great urgency that the "full subsidy formula" be reverted to as soon as possible.

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CSO: 3400/469

SOUTH AFRICA

COMMENTARY SAYS TBVC STATES VIABLE COUNTRIES

MB220741 Johannesburg International Service in English 0630 GMT 22 Aug 86

[Station commentary: "South Africa's Aid to Independent States"]

[Text] Details of the extent of South Africa's financial aid to its independent states have been disclosed in parliament, and other independent African states, now free of their colonial masters, will have every right to be envious.

In a written reply to a question on the matter, Foreign Minister Pik Botha said that in the past 5 years South Africa had provided its four independent black states of Transkei, Bophuthatswana, Venda, and Ciskei [TBVC] with a total of 6,186 million rands in direct financial aid.

It is a safe bet that there is no other group of independent African states which can lay claim to a similar amount in aid from its former colonial power, over a period of 5 years or any other length of time. This is the context in which President P.W. Botha referred to the West's offer of a few hundred million rands in aid to southern Africa as chickenfeed.

The fact is that South Africa's independent states of Transkei, Sophuthatswana, Venda, and Ciskei are far more viable than many other independent African states. While a large number of these African States -- which are wracked by poverty and oppression, and where people have voted once since independence and never again -- are recognized by the international community, the states which won their independence from South Africa are denied this right.

As far as political freedom is concerned, most of the impoverished states to the north of South Africa have military governments or are one-party states where votes mean nothing. By contrast, the TBVC countries are the symbols of the political freedom which has evolved in South Africa in the past 25 years.

These countries were born not out of revolution and violence, but out of an orderly process of evolutionary constitutional reform. It is time the outside world acknowledged this fact and recognized the four states involved.

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CSO: 3400/469

MEETING OPPOSES TOWNSHIP NORTH OF JOHANNESBURG

MB240825 Johannesburg Television Service in English 1800 GMT 23 Aug 86

[Text] Officials from the Department of Constitutional Development and Planning today attended a meeting with residents in the areas affected by the proposals for development of a township in the rural belt adjacent to the Diepkloof Nature Reserve North of Johannesburg. Since the proposal was first announced, residents in the area have formed pressure groups to oppose the idea.

[begin reporter Rusty van Druten video] More than 1,000 people attended today's meeting. Organizers had erected banners at all major intersections leading to the venue and helpers were in attendance at the entrances calling on residents and visitors to sign their petition to (?pressure) the government to halt all plans for the establishment of the township as proposed in the draft guide plan released on from the Department of Constitutional Development and Planning under the chief director physical planning, Mr Pieter Roussouw, attended the meeting to explain official thinking behind the proposals. Emotions were running high among those in the crowd and Mr Roussouw was constantly interrupted when attempting to explain that the draft guide plan was still very much in its infancy and that reactions from interested parties was now expected before final decisions were taken. As the meeting progressed it was clearly evident the line of questioning was becoming heavily politicized, taking the issues beyond Mr Roussouw's brief as a planner involved in the draft guide plans. Constant interjections forced Mr Roussouw to abandon any attempt at answering certain questions put to him. After 2 hours it was clear that nothing the delegation could say would meet with the crowd's approval and the meeting ended with a call from the chairman of the residents association to fight the proposals to establish the townships. [end video]

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CSO: 3400/469

## BRIEFS

REPORT ON DETAINED CHILDREN--Groups checking the numbers of detainees have been given newer lists in which children as young as 12 appear. Carmel Rickard has the details: [Rickard] Progressive Federal Party [PFP] detention monitoring officials claim that children as young as 12 have been held by police in recent Natal swoops. The south coast regional director, (Roy Aindley), says the new list given him last week had nearly 100 new names. Of these detainees, at least 35 were 18 or under. He expressed the concern that these young detainees were apparently being held in communal cells with convicted criminals. Mr (Aindley's) new figures tally with the national (?figures) list given me by the chief of the PFP monitoring group in Cape Town, Neil Ross. He estimates that a third of all detainees countrywide are under 18. Mr Ross described this as one aspect of emergency detentions which gave his group most concern. [Text] [Umtate Capital Radio in English 0500 GMT 24 Aug 86 MB] /12624

SACBC PROTESTS 'HARDSHIPS'--Pretoria, 20 Aug, SAPA--The list of 8,500 detainees released by the minister of law and order in parliament this week indicated how little credibility could be attached to assertions that apartheid was a thing of the past, the SA Catholic Bishops Conference [SACBC] said in Pretoria today. "If so much has to be done to restrain the opposition, apartheid must still be a great grievance," the conference said in a news release. "It will remain so as long as the great pillars of apartheid -- the constitution, education laws, the allocation of land and the Population Registration Act -- remain." The conference listed people closely associated with the Catholic Church who had been deported and detained. It added that Bishop Edward Adams' house in Oudtshoorn was searched and documents were removed from his files. The conference protested against these "hardships" inflicted on church personnel, who had the right and duty to oppose apartheid. [Text] [Johannesburg SAPA in English 1313 GMT 20 Aug 86 MB] /12624

EFFECTS OF UNREST REPORTING--The admission by the state that proper procedures were not followed in restricting the media does not necessarily free the media to report on security forces activities. Carmel Rickard has the details. [Rickard] According to legal experts, the admission does not, of itself, make the orders invalid, but the effect of the admission is to indicate very strongly that they were not lawfully binding. The court has not issued any judgment declaring them illegal, but experts I have spoken

to suggested that any reporter ignoring the orders would probably have no difficulty getting off, should the police bring a charge. The orders deal with reporting actions of members of the security forces and with being present in black townships or any area of unrest. Both are specifically forbidden under the orders, but already at least one paper has ignored them on the basis of yesterday's admission. Judgment in the newspapers' challenge to the emergency curbs on the media has been reserved, and it is not known when it will be delivered. [Text] [Umtata Capital Radio in English 1100 GMT 21 Aug 86 MB] /12624

DEVOLUTION OF POWER URGED--Johannesburg, 23 Aug, SAPA--To implement the federal philosophy, true devolution of political power from the central or regional government to local community authorities is of cardinal importance. This statement was made by the chief executive of ASSOCOM [Association of Chamber of Commerce], Mr Raymond Parsons today when he addressed the local government and housing conference of the Transvaal association of management committees, at Vanderbijlpark. Mr Parsons said the federalist approach means that power will be divided. "Divided sovereignty is indeed the essence of the federalist system of government. Many businessmen believe that such a division of power is a basic prerequisite for organizing a just society in a plural democracy in which all minority groups are effectively protected from the ambitions of hostile majorities," he said. Mr Parsons said there is a very real need in South Africa to develop an autonomous system of local government which is capable of responding administratively, fiscally and politically not only to problems of wider regional concern but especially to those at the neighborhood, community level. He said that at the national level, if the proposed national statutory council is to succeed, it seems to organized commerce that pre-negotiation conditions will have to be scaled down all round. [Text] [Johannesburg SAPA in English 1227 GMT 23 Aug 86 MB] /12624

SCRAPPING OF PASS LAWS--Cape Town, 21 Aug, SAPA--Almost no blacks in the western Cape will benefit from the scrapping of the pass laws unless South African citizenship is restored to people from Ciskei and Transkei, the director of the Legal Resources Center in Johannesburg, Mr Geoff Budlender, said today. Speaking at a Cape Town chamber of commerce seminar on urbanization, Mr Budlender said the situation for Xhosa-speakers "could even be worse" under the new dispensation as they would now be subject to the Aliens Act which provided for much heavier penalties than the old influx control laws. People could be summarily deported even if they had permanent residence in South Africa. "It is really a disaster. The abolition of influx control has been totally wiped out by the government's failure to deal effectively with citizenship," he said. "It is a particularly grim picture for the western Cape where the new status of Ciskeians and Transkeians makes almost every Xhosa-speaking person an alien." Mr Budlender said despite the government's undertaking to negotiate the matter of South African citizenship with homeland leaders, he doubted whether this would solve the problem. He said although common citizenship for all was the best solution to the problem, the government could also give citizens from TBVC [Transkei, Bophuthatswana, Venda, Ciskei] countries freedom to move and work in South Africa by exempting them from the provisions of the Aliens Act. [Text] [Johannesburg SAPA in English 1727 GMT 21 Aug 86 MB] /12624



SUPPORT OF OWN AFFAIRS EDUCATION--House of Delegates, 21 Aug, SAPA--If members felt strongly about supporting own affairs bills, they should put their money where their mouths were and ask the government to scrap the House of Delegates, the chairman of the council of ministers, Mr Amichand Rajbansi, said today. Speaking in a second reading debate on the education amendment bill (House of Delegates), he criticized opposition members for claiming they could not support any own affairs legislation on education. "If we want a single education ministry, don't hammer the Indian Education Act, hammer the constitution," he said. "If we feel that strongly about it we must request the government to scrap the House of Delegates." The Education Ministry in the House of Delegates had played an important role in ensuring that funds were allocated for education on a non-racial basis. "But let us put our money where our mouths are. If we feel like this, we must slice out R60 million from our education budget and give it to black education," he said. The bill would not entrench apartheid but would merely update obsolete provisions in the Education Act. Mr Mahmoud Rajab (Sol [Solidarity] Springfield) said the problem was that the cake for education was too small. The solution lay in increasing the budget allocation for education as a whole. [Text] [Johannesburg SAPA in English 1606 GMT 21 Aug 86 MB] /12624

CSO: 3400/469

SANLAM: SANCTIONS THREAT, LACK OF CONFIDENCE 'SERIOUS PROBLEMS'

MB231132 Johannesburg SAPA in English 0706 GMT 23 Aug 86

[Text] Cape Town, Aug 23, SAPA--The threat of intensified sanctions and a general lack of confidence in the political and economic future of the country are the most serious problems afflicting the economy, Sanlam says in its latest economic survey.

The low level of confidence is having an adverse affect on the willingness of undertakings to invest and the recently announced stimulatory package of R1500 million will only bring about limited improvement.

Additional measures for promoting growth can be expected and the March 1987 budget is expected to be an expansionist one, Sanlam says.

It is expected that further tax concessions will be made and that government expenditure on capital projects will increase markedly to bring about necessary improvements and extensions to the social infrastructure in particular.

"Since South Africa will not be able to depend on a significant inflow of new foreign capital in the foreseeable future, and in fact will have to use most of the surplus on the current account of the balance of payments to redeem her foreign debt, it is obvious that the balance of payments will remain a fundamental problem.

"The growth rate in real gross domestic product over the next year or two is therefore expected to be slow, since we shall not have the foreign exchange to accommodate the strong general economic activity.

"Consequently, we estimate that the average growth rate in real gross domestic product in the 1986-87 period will be in the order of only two to two-and-one-half percent--growth levels that will not even be able to maintain the present per capita income, and that will further exacerbate the unemployment problem."

Turning to inflation, Sanlam said it expected an average inflation rate of about 17.5 percent for 1986 as a whole. In 1987, the inflation rate would be largely determined by what happened to salaries and wages and the external value of the rand.

"If wage discipline is maintained and the exchange rate of the rand stays in the region of 40 U.S. cents, we are hopeful that it will be possible to keep the average increase in the consumer price index down to a level of between 15.5 percent and 16.5 percent in 1987."

Sanlam said the commercial rand was considerably undervalued at present, but believed it would firm in the coming months and envisaged an exchange rate of around 43 U.S. cents for 1986.

The exchange rate of the rand for 1987 is predicted at between 36 and 42 U.S. cents.

Sanlam said although positive real interest rates were essential in the longer term, "trying to ensure that interest rates are higher than the inflation rate should not be an end in itself in circumstances such as the present, where the South African economy is faced with an acute problem of underspending."

The question of sanctions added to the uncertainty. If comprehensive sanctions were introduced, a policy of increased interference and prescription by the authorities was very likely.

/12624

CSO: 3400/459

RESERVE BANK PREDICTS INCREASED PRIVATE SPENDING

MB240837 Johannesburg SAPA in English 0815 GMT 24 Aug 86

[Text] Johannesburg, Aug 22, [date as received], SAPA--A variety of conditions have been created that should eventually prove conducive to a more vigorous upturn in aggregate private expenditure, the Reserve Bank says in its annual economic report for the year ended June.

In addition, the economy was well-positioned for meeting any such recovery in aggregate demand.

The bank says that conditions favorable for an eventual return to more buoyant rates of growth in spending included the relaxed stance of monetary policy, relatively low interest rates (notably in real terms), and the authorities' manifest willingness to accept an acceleration of the rates of increase in bank credit and the money supply.

Also the stimulative effect still to be exerted by the government's "somewhat more expansionary approach to its own spending policies, as incorporated inter alia in the March 1986 budget and the package of supplementary measures" as announced in June this year.

Other Actors included:

-- The rise in the market values of various consumer-owned assets as brought about, by among other things, the lower level of interest rates.

-- The effect of the relatively low exchange rate of the rand in discouraging imports, encouraging exports and raising the value in domestic currency of export proceeds.

The bank says the supply capabilities of the economy were increased by the relatively low current level of capacity utilization and the enhanced employability of labor on account of the earlier downward drift of average real wages and labor remuneration generally.

Historically low levels of commercial and industrial inventories, moreover, would ensure that a more vigorous resurgence in aggregate demand would be translated speedily into increased production activity, employment, output and economic growth.

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CSO: 3400/459

## BRIEFS

RESERVE BANK: ECONOMY RECOVERING--Johannesburg, Aug 22 [date as received], SAPA--The South African economy is by current indications "still in the process of recovering, albeit slowly and erratically, from the 1984-85 recession," the Reserve Bank says in its annual economic report for the year ended June. Looking back, the bank says the economy experienced a cyclical downswing from the middle of 1984 to the middle of 1985. The encouraging recovery that commenced in the third quarter of 1985 was interrupted in the first quarter of 1986. "Preliminary estimates of the national accounts aggregates for the second quarter of 1986 nevertheless suggest that the balance of forces acting on the economy remained in favor of modestly positive growth for 1986 as a whole," the bank says. [Text] [Johannesburg SAPA in English 0817 GMT 24 Aug 86 MB] /12624

TRANSVAAL COLORED BUSINESS GETS SUPPORT--Johannesburg, Aug 25, SAPA--For the first time in the Transvaal, the government will allow the private sector to provide the structural services for a colored business area, at Ennerdale, South-west of Johannesburg. SABC TV news said the project was officially initiated today in Johannesburg by the minister of local government, housing and agriculture in the house of representatives, Mr David Curry. Two contracts of R20 million were concluded for the development of the business district. The first phase will provide 40,000 square meters of shop space. Two sites have been offered for sale. Developers were requested to place development proposals and tenders before the community development board before the end of September. Mr Curry said in the year 2010 Ennerdale would have about 250,000 residents and the necessary infrastructure had to be created now. Mr Curry said it was always possible with "brown" towns and residential areas that there was only a housing scheme and no business nucleus that could generate tax. "What we need is a beehive," he said, "and the private sector, with this business center, can bring it to us." [Text] [Johannesburg SAPA in English 2015 GMT 25 Aug 86 MB] /12624

DEBT, BANKRUPTCIES FIGURES--Debt and Bankruptcies are assuming alarming proportions in South Africa, according to information given to the SABC by the director of sales and marketing of a large debt collecting company, Mr Paul Edwards. He said that in May almost 34,700 people had been summoned and sentenced, an increase of 5 percent compared with the same month last year. The amount involved increased by 57 percent to 67 million rands.

Mr Edwards said that since 1983 civil summonses against businesses had doubled, while summonses against individuals had increased by 50 percent since 1982. Business bankruptcies had eased slightly this year and were averaging 200 a month compared with 255 a month last year. On the other hand, insolvencies of individuals had increased on the average by 70 a month to 330. [Text] [Johannesburg Domestic Service in English 0500 GMT 23 Aug 86 MB] /12624

TRADE RELATIONS WITH ZAMBIA--Senior banking sources in Lusaka say trade relations between Zambia and South Africa are operating smoothly, despite reports that [Lusaka] was contemplating banning direct imports from South Africa. The sources say letters of credit are still being (?opened) to South African banks, and South African invoices are being accepted for [words indistinct] for the weekly auction of foreign exchange. Last week, diplomatic sources indicated that Zambia, Zimbabwe, and other southern African states had agreed to terminate all direct trade with South Africa. Senior [words indistinct] had heard rumors about the reported trade ban [word indistinct] but (?it) has not been [word indistinct] has not been [word indistinct] carried out. [Text] [Johannesburg International Service in English 1100 GMT 21 Aug 86 MB] /12624

FINANCE MINISTER: PAYMENT TO IMF--The minister of Finance, Mr Barend du Plessis, says South Africa has already this year repaid 500 million rand of a loan from the International Monetary Fund. Altogether 800 million rand of foreign debts have been repaid. Mr Du Plessis told the House of Assembly the country's economy could not grow properly unless provision was made for the repayment of its foreign debts. In view of the fact that South Africa has been the object of sanctions for the past 20 years, the country was doing remarkably well. [Text] [Johannesburg Domestic Service in English 1900 GMT 22 Aug 86 MB] /12624

RESERVE BANK ON RAND DEPRECIATION--Johannesburg, Aug 22 [date as received], SAPA--On August 11 this year, the effective exchange rate of the rand was 31 percent below its level at the end of 1984, the Reserve Bank says in its annual report for the year ended June. Its depreciation since the beginning of 1986, however, "amounted to only 4.8 percent," the bank says. The financial rand reached a lower turning point of 24 U.S. cents on November 5, 1985 but recovered to 37.50 cents on March 5 this year, but subsequently weakened to 19.50 U.S. cents on August 11. The financial rand discount vis-a-vis the commercial rand accordingly widened from 26.7 percent on March 5, 1986 to as much as 50.2 percent on August 11 this year. [Text] [Johannesburg SAPA in English 0831 GMT 24 Aug 86 MB] /12624

CSO: 3400/459

**SOUTH AFRICA**

**BRIEFS**

**TRANSMITTERS TO EXTEND SERVICES--**Two new television transmitting stations will be put in operation on 25 August. The one at Lichtenburg and the immediate environment will provide TV-1 signals and the one at Escort will provide TV-1, TV-2 and TV-4 signals. [Text] [Johannesburg Television Service in Afrikaans 1545 GMT 19 Aug 86 MB] /12913

**CSO: 3400/431**

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